

**SUPPLEMENT NO. 3 TO COOPERATIVE ENDEAVOR AGREEMENT**

This Supplement No. 3 to Cooperative Endeavor Agreement (the "Agreement"), is made and entered into on the 21 day of December, 2012, by and between:

The **Louisiana Transportation Authority** (the "LTA"), a public corporation possessing full corporate powers and created, organized and existing under and pursuant to the Louisiana Transportation Authority Act, being Chapter 30 of Title 48 of the Louisiana Revised Statutes (the "Act"), herein represented by its duly authorized and empowered Chairman in accordance with the proceedings adopted by the Board of Directors of the Authority, acting as the governing authority thereof on December 21, 2012; and

The **Department of Transportation and Development**, an agency of the State of Louisiana (the "DOTD"), herein represented by its duly authorized and empowered Secretary.

WHEREAS, the LTA and the DOTD entered into the DOTD Cooperative Endeavor Agreement dated as of May 31, 2005, as supplemented to the date hereof (collectively, the "CEA"); and

WHEREAS, under the provisions of the CEA, LTA formally delegated certain responsibilities to DOTD in connection with (a) the design, construction, and implementation of a two-lane toll bridge over Bayou Lafourche with interchanges and connection roads immediately north and south of Leesville, Louisiana, and including a two-lane elevated highway from Leesville south to Port Fourchon; and (b) the implementation of an electronic toll collection system for the collection of tolls from vehicles traveling across the said toll bridge (the "LA 1 Toll Facility"); and

WHEREAS, under the provisions of Section 3 of the CEA, DOTD undertook certain obligations, including the obligation to operate the LA 1 Toll Facility and collect, on behalf of LTA, the tolls payable at the LA 1 Toll Facility as set by the LTA pursuant to the Act, La. R.S. 48:2077(5); and

WHEREAS, due to issues with the electronic toll collection system (which system was contracted for by the DOTD), the DOTD has not been able to collect the industry standard of 95% of the tolls that should have been collected based on the number of vehicles that have passed over the toll road; and

WHEREAS, the LTA issued its (i) \$78,350,000 of LA 1 Project Senior Lien Toll Revenue Bonds, Series 2005A; (ii) \$16,313,286.35 of LA 1 Project Senior Lien Toll Revenue Capital Appreciation Bonds, Series 2005B; (iii) \$66,000,000 of LA 1 Project Subordinate Lien Toll Revenue Bond Anticipation Notes, Series 2005; and (iv) \$66,000,000 of Louisiana

Transportation Authority LA 1 Project Subordinate Lien Toll Revenue Bonds (TIFIA - No. 2005-002) TIFIA Bond (collectively, the "Series 2005 Obligations") under a Master Indenture of Trust dated as of April 1, 2005, as amended and supplemented to the date hereof (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"); and

WHEREAS, Section 6.3 of the Indenture requires the Authority to collect Tolls in each calendar year in sufficient amounts so that debt service coverage on the Series 2005 Obligations is equal to at least (i) 120% of the debt service due on the Senior Lien Bonds in such calendar year and (ii) 110% of the debt service due on the Series 2005 Obligations due in such calendar year (the "Rate Covenant"); and

WHEREAS, the Indenture further requires that a Toll Road Consultant be engaged to deliver a written report to the Authority and the Trustee containing the results of the study, and recommendations as to the actions required in order to comply with the Rate Covenant; and

WHEREAS, in compliance with Section 6.3 of the Indenture, URS (the "Toll Road Consultant") was engaged as the Toll Road Consultant, and the Authority accepted the LA 1 Toll Road Consultant Report on May 19, 2011; and

WHEREAS, the Toll Road Consultant has completed the LA 1 Toll Consultant Report 2012 Update dated July 27, 2012 wherein the Toll Consultant has stated that a eighty-eight percent (88%) increase in the toll schedule above the already built-in twenty percent (20%) increase must be implemented on January 1, 2013 in order for toll revenue collections to be sufficient to meet the Rate Covenant; and

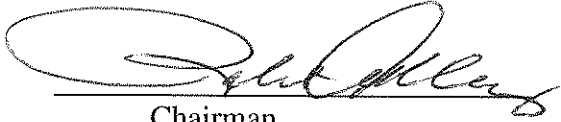
WHEREAS, the economic impact study in the Toll Consultant Report has also forecasted that for every \$1,000,000 increase in toll revenue there will be a resulting \$450,000 for forty-five percent (45%) decrease in the personal and sales tax collections from Grand Isle and Port Fourchon, which makes a rate increase impractical; and

WHEREAS, the Toll Road Consultant has recommended that the proposed schedule of toll rates not be implemented until after all options are explored and the other recommendations in the Toll Consultant Report have been completed, including the continuation of monitoring traffic; and

NOW, THEREFORE, in consideration of the covenants contained herein, LTA and DOTD do agree to enter into this Cooperative Endeavor Agreement on the following terms and conditions:

1. That the Authority will delay the January 1, 2013 implementation of the LA 1 Toll Road Consultant recommended schedule of toll rates that raises tolls above the already built-in increase until after the recommendations in the LA 1 Toll Consultant Report have been completed, including the long-term refinancing of the debt or until January 1, 2015 whichever is earlier.
2. That the Authority further directs the DOTD to seek non-Transportation Trust Funds through the legislative process to pay to the Trustee any shortfall in toll revenue for calendar year 2013 or 2014 in the event that there is insufficient toll revenue to achieve the debt service requirements as specified in the Rate Covenant.
3. This Agreement may be executed in multiple original counterparts, each of which shall constitute an original, but all of which together shall constitute but a single agreement.
4. The Cooperative Endeavor Agreement, as supplemented, remains in full force and effect.

**LOUISIANA TRANSPORTATION AUTHORITY**



Chairman

Louisiana Transportation Authority

Date: December 21, 2012



Secretary-Treasurer

**DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT**

State of Louisiana



Sherri LeBas

Secretary, Department of Transportation and Development

State of Louisiana

Date: December 21, 2012

APPROVED  
Office of the Governor  
Office of Contractual Review  
\_\_\_\_\_, 2012

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Pamela Bartfay Rice, Esq.  
Interim Director

**APPROVED**  
Office of the Governor  
Office of Contractual Review

FEB 20 2013

  
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DIRECTOR