
COOPERATIVE ENDEAVOR AGREEMENT

dated as of _____, 2013

by and between

the Parish of Caddo, State of Louisiana

and the

Industrial Development Board of the Parish
Caddo, Inc.

relating to the acquisition of the land and buildings constituting
the existing General Motors facilities in the Parish of Caddo by the
Industrial Development Board of the Parish of Caddo, Inc.
for the benefit of the Parish of Caddo, Louisiana

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT (the "Agreement"), shall be dated for convenience of reference as of September 1, 2013, is by and between:

PARISH OF CADDO, STATE OF LOUISIANA (the "Parish"), a political subdivision of the State of Louisiana, represented and appearing herein through _____; and

INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF CADDO, INC. (the "IDB"), a nonprofit public corporation and instrumental of the Parish, represented and appearing herein through its duly authorized representative;

WITNESSETH

WHEREAS, the IDB is authorized and empowered under Chapter 7 of Title 51 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 51:1151 *et seq.*) (the "Act"), and other constitutional and statutory authority supplemental thereto, to acquire properties in connection with the promotion of economic development and when desired and appropriate to issue its bonds and enter into agreements for the issuance of its bonds for the purpose of encouraging the location of manufacturing, industrial and commercial facilities and other enterprises within the Parish of Caddo (the "Parish"); and

WHEREAS, pursuant to the Act, the IDB is authorized to acquire any land, easement, servitude, leasehold interest, or other interest or right in land, and any building or other facility or improvement thereon, and all movable and immovable properties deemed necessary in connection therewith, whether or not now in existence, which shall be suitable for use by the following or by any combination of two or more thereof: any industry for the manufacturing, processing, or assembling of any raw, agricultural, semi-manufactured, or manufactured products; any commercial enterprise in storing, warehousing, distributing, or selling any products of agriculture, fishing, forestry, mining, or industry; business or professional offices; hotels; and any international, national, regional, or state offices of business or industry, or any other facility that is determined by the IDB to be instrumental to the removal of blight or the redevelopment of distressed areas, or to promote economic development through the creation of jobs, or to enhance the tax base through the construction, renovation, or rehabilitation of improvements. and to pledge the revenues and receipts therefrom or from any source thereof to secure its bonds, if any, issued; and

WHEREAS, the IDB has authorized a "development project" within the meaning of the Act consisting of the acquisition of the land and buildings constituting the existing General Motors facilities (the "Plant") located at 7600 General Motors Boulevard, Caddo Parish, Louisiana within the jurisdictional boundaries of the IDB, as more fully described in Exhibit A hereto, and the efforts to place the Plant back into service and create other benefits related thereto have been determined by IDB to serve a public purpose and are expected to result in economic benefits to the Parish; and

WHEREAS, the acquisition by the IDB of the Plant from Racer Properties LLC, a Delaware limited liability company ("Racer"), more specifically described in Exhibit A hereto

will be funded by the Parish concurrently with the delivery of this Cooperative Endeavor Agreement by and between the Parish and the IDB (the “CEA”); and

WHEREAS, the equipment described in Exhibit B hereto (the “Plant Equipment”) has, concurrently with the delivery of this CEA, been transferred to the IDB by Elio Motors, Inc, an Arizona corporation (the “Elio”), subject to certain liens and security interests, and such equipment is leased to the Lessee and subleased to the Sublessee, as described herein; and

WHEREAS, the Plant and the Plant Equipment (collectively the “Project) is being leased by the IDB to Industrial Realty Group, LLC (“IRG”), concurrently with the delivery of this CEA, pursuant to a Lease Agreement and Agreement to Issue Bonds dated as of September 1, 2013 (the “Lease”); and

WHEREAS, the execution and delivery of this Agreement has been duly and validly authorized by the parties hereto; and

WHEREAS, Article VI, Section 20 of the Louisiana Constitution of 1974 provides that a political subdivision may exercise and perform any authorized power and function, including financing, jointly or in cooperation with one or more political subdivisions, either within or without the state, or with the United States or its agencies; and

WHEREAS, Article VII, Section 14(C) of the Louisiana Constitution of 1974 provides that the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or it’s agencies, or with any public or private association, corporation, or individual; and

WHEREAS, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9020, *et seq.*) (the "Cooperative Economic Development Law"), provides that local governmental subdivisions (including municipalities) may cooperate or engage in cooperative endeavors providing for cooperative financing of economic development projects with other local governmental subdivisions or with any other private or public entity or person, for the purpose of aiding in cooperative development, all as defined in the Cooperative Economic Development Law;

NOW, THEREFORE, the Parish and the IDB each agree to perform their respective obligations under this Agreement in accordance with the conditions, covenants and procedures set forth herein and in the exhibits attached hereto and made a part hereof as follows:

ARTICLE I

REPRESENTATIONS OF THE PARISH

SECTION 1.01. Parish Authority. The Parish has all requisite power pursuant to the Article VI, Section 20, Article VII, Section 14(C) of the Louisiana Constitution of 1974, the Local Services Law and the Cooperative Economic Development Law to enter into this

Agreement and perform their obligations hereunder, and there are no contracts or obligations in conflict herewith.

SECTION 1.02. Funding. The Parish hereby agrees to provide \$7,500,000 to the IDB to pay the purchase price of the Plant concurrently with the delivery of this Agreement.

SECTION 1.03. This Agreement not Intended to be Indebtedness. The essence of the undertakings of the Parish hereunder is for the Parish and the IDB to work cooperatively to acquire the Plant and provide best efforts to put the Plant back into service and be a productive economic vehicle for the betterment of the Parish. The undertakings of the Parish and the IDB described herein do not represent and are not intended to create any indebtedness on the part of the Parish or the IDB since such undertakings of the Parish and the IDB do not involve any loan of moneys or assets of the Parish or the IDB but only for the cooperative use of the revenues for the development of the Project.

SECTION 1.04. Term of this Agreement. The Term of this Agreement shall be coterminous with the term of the Lease.

ARTICLE II

COOPERATIVE ENDEAVOR OBLIGATIONS

SECTION 2.01. Relating to Article VII, Section 14 of the Louisiana Constitution. In entering into this agreement it is not the intent of the Parish or the IDB to enter into a gratuitous transfer of public funds because such parties expect that acquisition and redevelopment of the Project will be an "Economic Development Project" within the meaning of La. R.S. 33:9038.34, and that they will each receive something of value in return for the performance of their obligations hereunder, which is:

(a) in the case of the Parish, the promotion of economic development in the Parish, the expected creation of jobs and enhancement of the property tax and sales tax base of the Parish; and

(b) in the case of the IDB, the promotion of economic development in the District, the expected creation of jobs, and enhancement of the property tax and sales tax base of the Parish.

Additionally, the Parish and the IDB will have reciprocal obligations further described herein.

The Parish and IDB further find and determine that (a) both the Parish and the IDB have the legal authority to enter into this Agreement, (b) the Project will be an Economic Development Project that creates a public benefit, specifically the expected creation of jobs, and enhancement of the property tax and sales tax base of the Parish proportionate to its cost and (c) there is a reasonable expectation on the part of the Parish and the IDB of receiving at least equivalent value in exchange for the funding of the Parish.

ARTICLE III

IDB OBLIGATIONS

SECTION 3.01. Use of Funding by the Parish. The IDB agrees that the \$7,500,000 funded by the Parish will be used solely to acquire the Plant. In the event the Plant is not acquired on the date of delivery of this Agreement such funds shall be returned to the Parish.

SECTION 3.02. Transfer of the Project to the Parish. The IDB will own the Project solely for the benefit of the Parish and hereby agrees to transfer ownership of the Project to the Parish at no cost within (7) days of receiving a duly authorized written notice from the Parish requesting transfer.

SECTION 3.03. Rent Payments. Rent paid by IRG to the IDB pursuant to Section 4.03(b) of the Lease, prepayments to the IDB pursuant to Section 4.07 of the Lease and any purchase payments or prepayments shall be immediately transferred to the Parish. Alternatively, the IDB, at the request of the Parish shall require such payments to be made directly to the Parish.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01. Liberal Construction. This Agreement shall be construed liberally to secure the beneficial intents and purposes hereof, and in particular shall be construed liberally as necessary to protect and further the interests of the parties hereto.

SECTION 4.02. Notices. All reports, statements or notices required or advisable to be given hereunder shall be deemed to be given if sent to the parties hereto at the addresses as follows:

Parish

Parish of Caddo, State of Louisiana

IDB

Industrial Development Board of the
Parish of Caddo, Inc.

Attention: _____

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be either hand-delivered or mailed, postage prepaid by first-class mail, registered or certified, return receipt requested, or by private, commercial carrier, express mail, such as Federal Express, or sent by fax or other similar form of rapid transmission confirmed by written confirmation mailed (postage prepaid by first-class mail, registered or certified, return receipt requested or private, commercial carrier, express mail, such as Federal Express) at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent or delivered to the address or numbers set forth above, or as to each party at such other addresses or numbers as shall be designated by such party in a written notice to the other party.

SECTION 4.03. Severability. To the fullest extent possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provisions of this Agreement shall be prohibited or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement.

SECTION 4.04. No Personal Liability. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, trustee, officer, agent or employee of the Parish, in his or her individual capacity, and neither the officers thereof nor any official executing this Agreement shall be liable personally with respect hereto or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement. No officer, director, contractor or consultant of the IDB shall have any personal liability with respect to the subject matter of this Agreement.

SECTION 4.05. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or extent of any of the provisions of this Agreement.

SECTION 4.06. Counterparts. This Agreement may be executed in several counterparts, each which shall be an original and all of which when taken together shall be deemed one and the same Agreement.

SECTION 4.07. Governing Law. This Agreement shall be constructed in accordance with and governed by the laws of the State of Louisiana.

SECTION 4.08. Amendment and/or Modification. Neither this Agreement nor any term, provision or exhibit hereof may be changed, waived, discharged, amended or modified orally, or in any manner other than by an instrument in writing signed by the parties hereto.

SECTION 4.09. Rescission or Amendment. In no event shall any rescission or amendment to this Agreement be effective without the prior written consent of the affected parties hereto.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

THIS COOPERATIVE ENDEAVOR AGREEMENT is hereby executed in multiple counterparts as of the date aforesaid, in the presence of the undersigned competent witnesses, who hereunto sign their names with the City and the Company.

PARISH OF CADDO,
STATE OF LOUISIANA

By: _____
Title:

INDUSTRIAL DEVELOPMENT BOARD OF
THE PARISH OF CADDO, INC.

By: _____
Title:

EXHIBIT A
to Cooperative Endeavor Agreement

PROJECT SITE

PLANT

EXHIBIT B
to Cooperative Endeavor Agreement

PLANT EQUIPMENT