

NEW ISSUE - BOOK-ENTRY ONLY

RATINGS:	Underlying	Insured
S&P:	"AA"	"AA"
	(stable outlook)	(stable outlook)
See "RATINGS" herein.		

Upon delivery of the Bonds (as hereinafter defined), Jones Walker LLP, Bond Counsel, will render its opinion that, assuming continuing compliance with certain covenants designed to satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended (the "**Code**"), and subject to the matters discussed under the heading "**TAX MATTERS**" herein, under the law existing on the date thereof, interest on the Bonds (as hereinafter defined) will (i) be excludable from gross income of the Beneficial Owners thereof for federal income tax purposes and (ii) will not be an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, pursuant to the Act, the Bonds, their transfer, and the income therefrom shall at all times be free from taxation of every kind by the State of Louisiana and by all political subdivisions in the State of Louisiana. See "**TAX MATTERS**" for information concerning assumptions as to compliance with the Code, upon which the foregoing opinions are based.

\$75,000,000 ***OFFICE FACILITIES CORPORATION****Lease Revenue Bonds****(Northwest Louisiana State Office Building Project)****Series 2025****Dated: Date of Delivery****Due: July 1, as shown on the inside front cover**

The above-captioned Bonds (the "**Bonds**") will be initially issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as the securities depository for the Bonds. Purchases of the Bonds may be made only in book-entry form and purchasers of the Bonds will not receive certificates representing their interests in the Bonds.

Payments of principal of, premium, if any, and interest on the Bonds will be paid by Hancock Whitney Bank, as trustee (the "**Trustee**"), to Cede & Co., as long as Cede & Co. is the registered owner of the Bonds. Disbursement of such payments to Direct Participants (as defined herein) is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants. See "BOOK-ENTRY ONLY SYSTEM" herein. Interest on the Bonds will accrue from their date of delivery and be payable each January 1 and July 1, commencing January 1, 2026.

The Bonds are authorized and issued pursuant to the Louisiana Revised Statutes of 1950, as amended, Sections 39:1798 through 39:1798.14, inclusive (the "**Act**") and a Trust Indenture (the "**Indenture**"), dated as of July 1, 2025, by and between the Office Facilities Corporation, a public nonprofit corporation organized under the Act (the "**Corporation**"), and Hancock Whitney Bank (the "**Trustee**"). The Bonds are being issued to: (i) finance the design, construction, reconstruction, furnishing and equipping of the Facility (as defined herein); (ii) fund a capitalized interest fund and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds. See "**PLAN OF FINANCE**" and "**ESTIMATED SOURCES AND USES OF FUNDS**" herein.

The Facility will be leased by the Corporation to the State of Louisiana (the "**State**"), acting through the Division of Administration of the State of Louisiana, the chief business office of the State (the "**Division**"), pursuant to the Agreement to Lease with Option to Purchase dated as of July 1, 2025 (the "**Agreement**"), pursuant to which the Division is required to pay Rental (as defined herein) payments in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and other amounts owing under the Agreement and the Indenture. RENTAL PAYMENTS UNDER THE AGREEMENT ARE SUBJECT TO, AND DEPENDENT UPON, ANNUAL APPROPRIATION BY THE LEGISLATURE OF THE STATE OF FUNDS NECESSARY TO ENABLE THE DIVISION TO MAKE PAYMENTS UNDER THE AGREEMENT AS DESCRIBED HEREIN UNDER THE CAPTION "**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - The Agreement**." As security for the Bonds, pursuant to an Assignment of Pledged Revenues and Security Agreement, dated as of July 1, 2025 (the "**Assignment**"), the Corporation has pledged and assigned to the Hancock Whitney Bank the Pledged Revenues (defined herein) of the Corporation.

The Bonds are subject to optional, mandatory, and extraordinary redemption prior to maturity as described herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC.



THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CORPORATION (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS, OTHER THAN LEASE REVENUES, FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM RENTAL PAYMENTS MADE BY THE DIVISION PURSUANT TO THE AGREEMENT AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE ASSIGNMENT.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement, including all appendices attached hereto, to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by the underwriter named below (the "**Underwriter**"), subject to the delivery of the opinion of Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel. Certain legal matters will be passed upon for the Corporation and the Division by its executive counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Butler Snow LLP, Shreveport, Louisiana and for the Trustee by its counsel, Gregory A. Pletsch & Associates, Baton Rouge, Louisiana. Public Resources Advisory Group, Inc. Tampa, Florida, serves as independent municipal advisor to the Corporation. The Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2025.

RAYMOND JAMES®

Dated: _____, 2025

* Preliminary, subject to change.

\$75,000,000*
OFFICE FACILITIES CORPORATION
LEASE REVENUE BONDS
(NORTHWEST LOUISIANA STATE OFFICE BUILDING PROJECT)
SERIES 2025

Dated: Date of Delivery

Due: July 1, as shown below

Year of Maturity (July 1)	Principal Amount*	Interest Rate	Yield	CUSIP¹	Year of Maturity (July 1)	Principal Amount*	Interest Rate	Yield	CUSIP¹
2029	\$1,250,000				2043	\$2,515,000			
2030	1,315,000				2044	2,645,000			
2031	1,380,000				2045	2,780,000			
2032	1,450,000				2046	2,925,000			
2033	1,525,000				2047	3,080,000			
2034	1,605,000				2048	3,245,000			
2035	1,685,000				2049	3,420,000			
2036	1,775,000				2050	3,605,000			
2037	1,865,000				2051	3,795,000			
2038	1,960,000				2052	4,000,000			
2039	2,060,000				2053	4,220,000			
2040	2,165,000				2054	4,445,000			
2041	2,275,000				2055	4,685,000			
2042	2,395,000				2056	4,935,000			

* Preliminary, subject to change.

¹ CUSIP® is a registered trademark of the American Bankers Association. The CUSIP numbers listed above have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and are included solely for the convenience of bondholders. The Corporation and the Underwriter make no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to a refunding in whole or in part of the Bonds. None of the Corporation, the Municipal Advisor, or the Underwriters and their agents takes any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, a refunding or procurement of secondary market portfolio insurance or other similar enhancement by investors.

OFFICE FACILITIES CORPORATION

BOARD OF DIRECTORS

Taylor F. Barras
Glenn Frasier
Rep. Troy Jude Hebert
Roger Husser
Sen. Edward J. Price

**COUNSEL FOR THE CORPORATION AND
THE DIVISION**

Honorable Liz Murrill
Attorney General of the State of Louisiana

DIVISION OF ADMINISTRATION

Taylor F. Barras, Commissioner of Administration

MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc.
Tampa, Florida

BOND COUNSEL

Jones Walker LLP
Baton Rouge, Louisiana

UNDERWRITER

Raymond James & Associates, Inc.

UNDERWRITER'S COUNSEL

Butler Snow LLP
Shreveport, Louisiana

TRUSTEE

Hancock Whitney Bank

TRUSTEE COUNSEL

Gregory A. Pletsch & Associates
Baton Rouge, Louisiana

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE CORPORATION, THE DIVISION OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION OR THE DIVISION. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY (“**DTC**”) HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE CORPORATION, THE DIVISION OR THE UNDERWRITER AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION OR THE DIVISION OR DTC SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN THE CORPORATION, THE DIVISION OR THE UNDERWRITER AND ANY ONE OF MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE BONDS.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE DOCUMENT. ANY PRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT DEEMED A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE CAPTIONS AND HEADINGS IN THIS OFFICIAL STATEMENT ARE FOR CONVENIENCE OF REFERENCE ONLY, AND IN NO WAY DEFINE, LIMIT OR DESCRIBE THE SCOPE OR INTENT, OR AFFECT THE MEANING OR CONSTRUCTION, OF ANY PROVISION OR SECTION OF THIS OFFICIAL STATEMENT. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS OFFICIAL STATEMENT.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15c2-12.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE DOCUMENT. ANY PRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE CORPORATION AND THE STATE, ACTING THROUGH THE DIVISION, WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE ON A PERIODIC BASIS FOR THE BENEFIT OF THE BONDHOLDERS PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (17 C.F.R. PART 240, §140.15c2 12). SEE "CONTINUING DISCLOSURE" HEREIN.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

THIS OFFICIAL STATEMENT IS MARKED WITH A DATED DATE AND SPEAKS ONLY AS OF THAT DATED DATE. READERS ARE CAUTIONED NOT TO ASSUME THAT ANY INFORMATION HAS BEEN UPDATED BEYOND THE DATED DATE EXCEPT AS TO ANY PORTION OF THE OFFICIAL STATEMENT THAT EXPRESSLY STATES THAT IT CONSTITUTES AN UPDATE CONCERNING SPECIFIC RECENT EVENTS OCCURRING AFTER THE DATED DATE OF THE OFFICIAL STATEMENT. ANY INFORMATION CONTAINED IN THE PORTION OF THE OFFICIAL STATEMENT INDICATED TO CONCERN RECENT EVENTS SPEAKS ONLY AS OF ITS DATE. THE CORPORATION AND THE DIVISION EXPRESSLY DISCLAIM ANY DUTY TO PROVIDE AN UPDATE OF ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT, EXCEPT AS

AGREED UPON BY SAID PARTIES PURSUANT TO THE PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE INCLUDED HEREIN AS APPENDIX C.

THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT MAY INCLUDE FORWARD LOOKING STATEMENTS BY USING FORWARD-LOOKING WORDS SUCH AS “MAY,” “WILL,” “SHOULD,” “EXPECTS,” “BELIEVES,” “ANTICIPATES,” “ESTIMATES,” “BUDGETS” OR OTHERS. THE READER IS CAUTIONED THAT FORWARD-LOOKING STATEMENTS ARE SUBJECT TO A VARIETY OF UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER FROM THE PROJECTED RESULTS. THOSE RISKS AND UNCERTAINTIES INCLUDE GENERAL ECONOMIC AND BUSINESS CONDITIONS, AND VARIOUS OTHER FACTORS WHICH ARE BEYOND THE CONTROL OF THE CORPORATION AND THE DIVISION.

THIS OFFICIAL STATEMENT CONTAINS PROJECTIONS OF REVENUES, EXPENDITURES AND OTHER MATTERS. BECAUSE THE CORPORATION AND THE DIVISION CANNOT PREDICT ALL FACTORS THAT MAY AFFECT FUTURE DECISIONS, ACTIONS, EVENTS OR FINANCIAL CIRCUMSTANCES, WHAT ACTUALLY HAPPENS MAY BE DIFFERENT FROM WHAT IS INCLUDED IN FORWARD-LOOKING STATEMENTS.

THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT HAS BEEN OBTAINED PRIMARILY FROM THE CORPORATION’S AND THE DIVISION’S RECORDS AND FROM OTHER SOURCES THAT ARE BELIEVED TO BE RELIABLE, INCLUDING FINANCIAL RECORDS OF THE CORPORATION AND THE DIVISION AND OTHER ENTITIES, WHICH RECORDS MAY BE SUBJECT TO INTERPRETATION. ANY SUMMARIES OR EXCERPTS OF STATUTES, RESOLUTIONS OR OTHER DOCUMENTS DO NOT PURPORT TO BE COMPLETE STATEMENTS THEREOF, AND REFERENCE IS MADE TO SUCH ORIGINAL SOURCES IN ALL RESPECTS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THE CORPORATION AND THE DIVISION AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: [HTTP://WWW.MUNIOS.COM](http://www.munios.com). THE FINAL OFFICIAL STATEMENT WILL BE PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND FORM (***“ORIGINAL BOUND FORMAT”***) OR ELECTRONIC FORMAT ON THE SAME WEBSITE. THE FINAL OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

THIS PRELIMINARY OFFICIAL STATEMENT HAS BEEN DEEMED FINAL BY THE CORPORATION AS OF ITS DATE WITHIN THE MEANING OF RULE 15c2-12 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR THE OMISSIONS OF THE OFFERING PRICE(S), INTEREST RATE(S), SELLING COMPENSATION, AGGREGATE PRINCIPAL AMOUNT, PRINCIPAL AMOUNT PER MATURITY, DELIVERY DATE(S), RATING(S) AND OTHER TERMS OF THE BONDS DEPENDING ON SUCH MATTERS, ALL OF WHICH ARE PERMITTED OMISSIONS UNDER RULE 15c2-12.

Assured Guaranty Inc. (***“AG”***) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading **“BOND INSURANCE”** and Appendix E – “Specimen Municipal Bond Insurance Policy.”

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OFFICIAL STATEMENT

\$75,000,000*

OFFICE FACILITIES CORPORATION

Lease Revenue Bonds

(Northwest Louisiana State Office Building Project)

Series 2025

INTRODUCTION

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. See Appendix B attached hereto for the forms of certain principal documents relating to the Bonds, including definitions of certain capitalized words and terms used herein.

This Official Statement, including the cover page and appendices hereto, of the Office Facilities Corporation (the “**Corporation**”), a nonprofit corporation organized and existing under the laws of the State of Louisiana (the “**State**”), is provided for the purpose of setting forth information concerning the sale of the Corporation’s Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025, in the principal amount of \$75,000,000* (the “**Bonds**”). The Bonds are authorized and issued pursuant to Chapter 17-D of Title 39 of the Louisiana Revised Statutes of 1950, as amended (being La. R.S. 39:1798 through 39:1798.14, inclusive) (the “**Act**”), resolutions adopted by the Corporation on July 25, 2024 and May 14, 2025 (collectively, the “**Resolution**”), and a Trust Indenture dated as of July 1, 2025 (the “**Indenture**”), by and between the Corporation and Hancock Whitney Bank (the “**Trustee**”).

The Bonds are being issued to provide funds, along with other funds of the Corporation, to: (i) finance the design, construction, reconstruction, furnishing and equipping of the building and improvements to be constructed by the Corporation on the tracts of land owned by the Corporation located in Shreveport, Louisiana and more particularly described below, to be constructed for use by the Division and its Permitted Sublessees (as hereinafter defined) as permitted under the Agreement (as hereinafter defined) or approved by the Division and by other parties pursuant to other agreements with the Corporation, and all other improvements located and to be located thereon, including, without limitation, all alleyways, connecting tunnels, sidewalks, utility pipes, conduits and lines (on and off site), parking areas and roadways appurtenant to such building and improvements, and all rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining; (b) all equipment, fixtures, apparatus, engines, motors, furnaces, boilers, heaters, machinery, and appliances which have been or will be permanently attached to and become component parts of the tracts of land, and the building and improvements located and to be located thereon and described in (a) immediately above; and (c) the heating, ventilating, air conditioning, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling, fire, sprinkler and theft systems and the mechanical, electrical, and plumbing systems serving the tracts of land, and the building and improvements located and to be located thereon and described in (a) immediately above (the “**Facility**”); (ii) fund capitalized

* Preliminary, subject to change.

interest on the Bonds and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds. See **“PLAN OF FINANCE”** and **“ESTIMATED SOURCES AND USES OF FUNDS”** herein.

The Facility will be leased by the Corporation to the State, acting through the Division of Administration of the State of Louisiana, the chief business office of the State (the **“Division”**), pursuant to the Agreement to Lease with Option to Purchase dated as of July 1, 2025 (the **“Agreement”**), pursuant to which the Division is obligated to pay Base Rental (as defined herein) in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and Additional Rental (as defined herein) payments in an amount sufficient to pay taxes and assessments, insurance premiums, late charges and other amounts due under the Agreement and Indenture. See **“SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - The Agreement”** herein. The Division will, in turn, sublease the Facility to various State agencies (the **“Agencies”**) and certain other permitted sublessees (together with the Agencies, the **“Permitted Sublessees”**), which will be required to make lease payments (the **“Agency Payments”**) to the Division pursuant to certain subleases (the **“Agency Subleases”**).

The Division’s obligation to make Rental payments under the Agreement is subject to, and dependent upon, annual appropriations by the Legislature of the State. If the Legislature does not appropriate sufficient funds to the Division for any reason, such failure shall not be deemed to be a default under the Agreement, but in such event, the Agreement shall terminate, without penalty or expense to the Division, on the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be paid in full from lawfully appropriated funds. The Corporation may then take possession of the Facility and re-let or sell the Facility in accordance with State law as the Corporation determines and as permitted by the Agreement and the Indenture. See “SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - The Agreement” and “BONDHOLDERS’ RISKS AND INVESTMENT CONSIDERATIONS - Nonappropriation Risk” herein.

As additional security for the Bonds, pursuant to an Assignment of Pledged Revenues and Security Agreement dated as of July 1, 2025 (the **“Assignment”**), the Corporation has pledged and assigned to Hancock Whitney Bank the Pledged Revenues (defined herein) of the Corporation. See **“SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - General”** and **“SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - The Assignment”** herein and Appendix B attached hereto.

THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CORPORATION (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS, OTHER THAN LEASE

REVENUES, FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM RENTAL PAYMENTS MADE BY THE DIVISION PURSUANT TO THE AGREEMENT AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE ASSIGNMENT.

Additional Bonds on a parity with the Bonds may be issued by the Corporation upon the terms and subject to the conditions provided in the Indenture. See “**SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - Additional Bonds**” herein.

Brief descriptions of the Corporation, the State, the Division, the Agencies, the Bonds, the Agreement, the Indenture and the Assignment are included herein. The descriptions of the Agreement and the Indenture are qualified in their entirety by reference to such documents, and the description of the Bonds is qualified in its entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Such descriptions do not purport to be comprehensive or definitive. All such descriptions are further qualified in their entirety by reference to laws and principles of equity relating to or effecting the enforcement of creditors’ rights. Draft copies of such documents are available for inspection at the offices of the Corporation, 1201 N. Third St., Suite 7-210 Baton Rouge, Louisiana 70802, until delivery of the Bonds and thereafter will be available at the principal corporate trust office of the Trustee. Certain information regarding the Louisiana economy is included in PART I attached hereto. Certain financial and debt information of the State is included in PART II attached hereto. The proposed form of opinion of Bond Counsel is included in Appendix A attached hereto. Forms of the Indenture, the Agreement and the Assignment are contained in Appendix B attached hereto, including definitions of certain capitalized words and terms used herein. The form of the Continuing Disclosure Certificate is included as Appendix C attached hereto. A conceptual rendering of the Facility is attached hereto as Appendix D.

THE CORPORATION

The Corporation is a public nonprofit corporation created pursuant to Articles of Incorporation dated September 13, 1989 (the “*Articles of Incorporation*”) and is organized pursuant to the laws of the State, including the Act. The Act provides that the Corporation does not constitute a State agency, board or commission. The Corporation is governed by five (5) persons who are appointed by and serve at the pleasure of the Governor of the State. The Act provides that no member of the Board of Directors of the Corporation or any person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. The members of the Board of Directors serve without compensation but may be reimbursed for necessary expenses incurred in the discharge of their duties. The Articles of Incorporation may be amended with the approval of two-thirds (2/3) of the members of the Corporation. The Corporation has no taxing authority. Upon dissolution of the Corporation, title to all property owned by the Corporation vests in the successor corporation created by the State Legislature, if any, if such successor corporation qualifies under the Code. If no successor corporation is so created, title to such property vests in the State.

The purposes of the Corporation are the financing and acquisition, purchase, construction, renovation, improvement, or expansion of public facilities for lease to the State to house personnel, equipment, and services of various agencies of State government, and any other purposes set forth in the Act. In furtherance of its authorized powers and functions, the Corporation has the power, by virtue of the Act, to issue Bonds payable from any revenues and moneys of the Corporation available therefor and not otherwise pledged.

The present members of the Board of Directors of the Corporation, and their respective positions within the State government are as follows:

<u>Name</u>	<u>Principal Occupation/Affiliation</u>
Taylor F. Barras, President	Commissioner of Administration
Roger E. Husser, Secretary-Treasurer	Director, Office of Facility Planning and Control, Division of Administration
Senator Edward J. Price	Nominee of Senate President
Representative Troy Hebert	Nominee of Speaker of the House
R. Glenn Frazier	Director, Office of State Buildings, Division of Administration

The Corporation offices are located on the 7th Floor of the Claiborne Building, 1201 N. Third St., Suite 7-210 Baton Rouge, Louisiana 70802.

THE STATE

General

Certain information concerning the State, including the budget process, the pension system and the State's economy, is included in PART I hereto. Certain general purpose financial data and debt information and litigation update, including by reference the Annual Comprehensive Financial Report for fiscal year ended June 30, 2024, is included in PART II hereto. Set forth below is a brief discussion of certain financial information and debt authorization, structure and limitation of the State.

State Investment Policies

The State Constitution provides that money in the custody of the State Treasurer that is available for investment will be invested as provided by law.

The State Treasurer's procedures and guidelines for investment of all monies under the State Treasurer's control call for prudent and consistent investment policies, prohibit the use of reverse repurchase agreements for speculation, restrict the use of derivative investments, require maintenance of liquidity for day-to-day cash flow requirements, and do not allow leveraging.

All funds in the custody of the State Treasurer, except for the Louisiana Education Quality Trust (8g) Fund and the Millennium Trust Fund, which may be invested as provided by the State Constitution, and the Medicaid Trust Fund for the Elderly, which may be invested as provided for by State statute, may be invested in the following: U.S. Treasury obligations; U.S. Government Agency obligations, such as those issued by the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Farm Credit System, Government National Mortgage Association, and others; repurchase agreements; time certificates of deposit of state banks; investment grade commercial paper; investment grade corporate bonds; and money market funds.

THE DIVISION

The Division of Administration is created by Chapter 1 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and is a division of the Office of the Governor. The Division of Administration is the chief business office of the State and is headed by the Commissioner of Administration and contains such other subdivisions or sections as are deemed necessary, in the opinion of the Governor, to carry out the functions of the Division. Taylor F. Barras, Commissioner of Administration, is also a member and serves as President of the Corporation. Pursuant to Chapter 17 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, all contracts and agreements for the lease of space for the housing of State agencies, their personnel, operations, equipment or activities must be approved by the Division. Additionally, the Division prepares and utilizes a uniform set of standards for determining space needs for State agencies and evaluates all leased space on a continuing basis to determine the feasibility of locating State agencies in buildings purchased or constructed by the State.

PLAN OF FINANCE

The Bonds are being issued to provide funds to: (i) finance the design, construction, reconstruction, furnishing and equipping of Facility (the “*Project*”); (ii) fund capitalized interest on the Bonds; and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds.

The following is a description of the Facility financed with the Bonds and leased to the State:

The Facility is located at 500 Fannin Street in downtown Shreveport, Louisiana. The Project will be an adaptive reuse of the foundation, slabs, and steel structure of the existing building purchased by the Corporation in 2022 and will include renovations, additions, and replacements to the existing building as well as the construction of new structured parking to serve the Facility. The Facility will consolidate and replace the existing Mary Allen State Office Building and the Jordan Street Building. Upon completion, the Facility will house approximately 15 state agencies in 156,000 square feet.

Site development is a part of the Project, including site preparation, parking, service access, site lighting, utilities infrastructure, landscaping, associated hardscaping, security, and surveillance systems. The Facility will consist of office spaces for state agencies, public service areas, a conference center, and associated building support spaces. The design will include building structure and possible modifications, envelope, roof, selective demolition, all associated exterior and interior finishes, interior and exterior signage, mechanical, electrical power and lighting,

plumbing, sprinklers, fire alarm, building controls management, security cameras, access control, and the infrastructure necessary for the installation and construction of these elements. Although subject to change, the expected tenants at the Facility shall include:*

The Department of Child and Family Services
Louisiana Workforce Commission
Louisiana Department of Revenue
Louisiana Department of Health
Office of State Buildings
Mental Health Advocacy Services
Governor's Office of Elderly Affairs
Office of Juvenile Justice
Department of Environmental Quality
Department of Education
Parents as Teachers Program
Office of Conservation
State Fire Marshall
State Police
Office of Facility Planning and Control
To be determined café/dining provider

Selective demolition and abatement of the existing structure has been completed, and the construction of the Project is expected to begin in July 2025. A conceptual rendering of the Facility is included as Appendix D attached hereto.

ESTIMATED SOURCES AND USES OF FUNDS*

The following table sets forth the estimated sources and uses of funds related to the Bonds.

Sources of Funds:

Par Amount of Bonds	\$ _____
Plus/Net Original Issue Premium/Discount	\$ _____
Total Sources	\$ _____

Uses of Funds:

Deposit to Project Fund	\$ _____
Deposit to Capitalized Interest Fund	\$ _____
Costs of Issuance ⁽¹⁾	\$ _____
Total Uses	\$ _____

⁽¹⁾ Costs of Issuance includes Underwriter's discount, bond insurance premium, legal, printing and other costs incurred in connection with the issuance of the Bonds.

* Preliminary, subject to change.

THE BONDS

General

The Bonds will be issued as fully registered bonds, without coupons (initially in the book-entry only system), in denominations of \$5,000 or any integral multiple thereof (“**Authorized Denominations**”). The Bonds will be dated their date of delivery, will mature (subject to prior redemption) on July 1 in the years and in the principal amounts and will bear interest at the rates per annum (using a year of 360 days comprised of twelve 30-day months) indicated on the inside front cover page of this Official Statement payable on January 1 and July 1 of each year, commencing January 1, 2026 (each an “**Interest Payment Date**”). Principal of, premium, if any, and interest on the Bonds will be payable in the manner described below under “**BOOK-ENTRY ONLY SYSTEM.**”

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement, it should be understood that while the Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Trust Indenture will be given only to DTC.

THE CORPORATION, THE DIVISION, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SECURITIES, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SECURITIES, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SECURITIES, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “**RULES**” APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT “**PROCEDURES**” OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE CORPORATION, THE DIVISION, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SECURITIES; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SECURITIES; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY

NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SECURITIES; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Redemption of Bonds

Optional Redemption. The Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity at the option of the Corporation, on or after July 1, 2035, as a whole at any time, or in part on any Interest Payment Date, by the Trustee by lot, at par plus accrued interest to the redemption date.

Extraordinary Mandatory Redemption. (a) The Bonds are subject to redemption in whole at any time at a price equal to the principal amount thereof plus accrued interest to the redemption date, but without premium, in the event the Corporation is required or ordered by legislative, judicial or administrative action of the United States of America or the State or any agency, department or subdivision thereof to operate the Facility in a manner inconsistent with the stated goals, purposes and policies of the Corporation.

(b) The Bonds shall be redeemed as a whole at any time on or after July 1, 2035, on which the Division elects to purchase the Facility pursuant to Section 23 of the Lease Purchase Agreement, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(c) The Bonds shall be redeemed as a whole or in part (in any integral multiple of \$5,000) at any time, at a price equal to the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption, but without premium, in an aggregate principal amount equal to the proceeds of any sale or re-letting of the Facility following a termination of the Lease Purchase Agreement that are received at least 30 days prior to such redemption date.

(d) The Bonds shall be redeemed as a whole or in part (in any integral multiple of \$5,000) at any time at least 30 days after the Trustee receives notice that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facility will not be applied to the restoration, repair or reconstruction of the Facility at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (e) shall be decreased to the next lower multiple of \$5,000.

(e) Any Additional Bonds issued under the provisions of Article 5 of the Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may

be provided in the resolution or resolutions of the Corporation authorizing the issuance of such Additional Bonds.

(f) Unless otherwise specified above, if less than all of the Bonds shall be called for redemption, the maturity of the Bonds to be redeemed shall be designated by the Corporation and selected by the Trustee by lot within a maturity; provided, however, that the portion of any Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Partial Redemption. Unless otherwise specified above, if less than all of the Bonds shall be called for redemption, the maturity of the Bonds to be redeemed will be designated by the Corporation and selected by the Trustee by lot within a maturity; provided, however, that the portion of any Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Unless otherwise specified under “REDEMPTION OF BONDS” or in the Indenture, if less than all of the Bonds shall be called for redemption, the maturity of the Bonds to be redeemed shall be designated by the Corporation and selected by the Trustee by lot within a maturity; provided, however, that the portion of any Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Notice of Redemption. At least thirty (30) days before the redemption date of any Bonds, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee, to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid, and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that, on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued. Redemption of the Bond as provided above is conditioned upon the Trustee having received adequate funds on the redemption date to pay the redemption price of the Bonds.

Effect of Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions provided for in the Indenture and money for the payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or

security under the Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof, except to receive payment of the redemption price thereof, and, to the extent provided in the Indenture, to receive Bonds for any unredeemed portions of Bonds.

Bonds and portions of Bonds which have been duly called for redemption under the Indenture, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the Indenture and shall cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

BOOK-ENTRY ONLY SYSTEM

The Bonds initially will be issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company (“**DTC**”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Bonds and, except as otherwise provided herein with respect to Beneficial Owners of Beneficial Ownership Interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owner or holders of the Bonds under the Bond Resolution.

The following information about the book-entry system applicable to the Bonds has been supplied by DTC. Neither the Corporation nor the Division makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each series in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “**banking organization**” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “**clearing corporation**” within the meaning of the New York Uniform Commercial Code, and a “**clearing agency**” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing

corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (***“Indirect Participants”***). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (***“Beneficial Owner”***) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting

rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "**street name**," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Corporation and the Underwriter believe to be reliable, and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Corporation or the Division.

THE CORPORATION AND THE DIVISION CANNOT AND DO NOT GIVE ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SECURITIES (I) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "**RULES**" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "**PROCEDURES**" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE CORPORATION NOR THE DIVISION WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE

BENEFICIAL OWNERS WITH RESPECT TO (I) THE BONDS; (II) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (III) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS; (IV) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS OF THE BONDS; (V) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (VI) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE BONDS.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

General

The Bonds are limited obligations of the Corporation, issued by the Corporation under and pursuant to the Indenture and the Act, and are secured equally and ratably by a pledge of (i) all right, title and interest of the Corporation in, to and under the Agreement, and any leases (other than the Agreement), subleases, use agreements or other similar agreements relating to the Facility, whether entered into with the Division or any other person or entity (including any and all extensions, renewals, amendments, modifications and supplements thereof or thereto), including, without limitation, the right to receive all payment of Rental under the Agreement (except for payments of Additional Rentals made under the Agreement), all proceeds of insurance (including rental interruption insurance, if any) received or receivable by the Corporation as a result of any damage to or destruction of the Facility, or any part thereof, under the power of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facility to which such proceeds, award or compensation is attributable, all amounts received or receivable by the Corporation from the sale of the Facility, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facility, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts, appropriations received from any private or public source) which hereafter are received by the Corporation for or relating to the Facility, the present and continuing right to bring actions or proceedings thereunder or for the enforcement thereof and to make claim for, demand, collect, receive and receipt for any such funds or other moneys due or to become due thereunder and to take any and all actions that the Corporation may become entitled to take under the Agreement, or any such lease, sublease, use agreement or similar agreement; (ii) all right, title and interest of the Corporation in and to the Pledged Revenues, including, without limitation the present and continuing right to make claim for, demand, collect, receive and receipt for any and all payments due under the Agreement and any other Pledged Revenues; (iii) all cash, moneys, securities and investments which may at any time and from time to time, pursuant to the Indenture, be paid to the Trustee or be in the hands of the Trustee, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in the Indenture, provided, however, that nothing in the Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee under the Indenture; (iv) any and all other movable or immovable property of every name and nature from time to time by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, to the Trustee as and for additional security by the Corporation or by any one acting

on its behalf or with its written consent, the Trustee being authorized under the Indenture to receive any and all of such property, at any and all times and to hold and apply the same in accordance with and subject to the terms of the Indenture; and (v) all proceeds of any and all of the foregoing (collectively, the “*Trust Estate*”).

“*Pledged Revenues*” is defined in the Indenture as (1) the Base Rental and all other payments required to be paid to the Corporation by the Division pursuant to the Agreement (other than Additional Rental), (2) all rents, issues, receipts and profits derived by the Corporation from the use or occupancy of any of the Facility, (3) all earnings from the investment of moneys from time to time held by the Trustee in any fund or account, established pursuant to the Indenture, (4) all proceeds of insurance (including rental interruption insurance, if any) received or receivable by the Corporation as a result of any damage to or destruction of any of the Facility, all awards received or receivable by the Corporation as a result of the taking or use of the Facility or any part thereof, under the power of eminent domain and all amounts received or receivable by the Corporation as compensation for the transfer of any of the Facility, or any part thereof, in lieu of a taking or use of such Facility or part thereof, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facility to which such proceeds, award or compensation is attributable, (5) all amounts received or receivable by the Corporation from the sale of any Facility or any part thereof, (6) all amounts collected under payment and the performance bonds maintained with respect to any Facility (including in connection with the construction thereof), and (7) any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which are received by the Corporation and which may be pledged by the Corporation pursuant to the Indenture.

Limited Obligations

THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CORPORATION (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS, OTHER THAN LEASE REVENUES, FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM RENTAL PAYMENTS MADE BY THE DIVISION PURSUANT TO THE AGREEMENT AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE ASSIGNMENT.

The Indenture

Pursuant to the Indenture, the Corporation has transferred, assigned, and delivered to the Trustee (and its successors), for the benefit of the Bondowners, the Corporation's interest in the Trust Estate. The Indenture creates the following special trust funds and account to be maintained with the Trustee so long as any of the Bonds and Additional Bonds are outstanding:

- (i) a “***Bond Proceeds Fund***”;
- (ii) a “***Debt Service Fund***”, and within the Debt Service Fund an “***Interest Account***” and a “***Principal Account***”;
- (iii) a “***Project Fund***”;
- (iv) a “***Capitalized Interest Fund***”;
- (v) a “***Revenue Fund***”; and
- (vi) a “***Rebate Fund***.”

The Trustee shall cause the Rentals paid by the Division and the other rents and fees collected in connection with the use or occupancy of the Facility by any other person or entity to be applied in the amounts, time and manner as provided in the Indenture and the Agreement. See Appendix B attached hereto for the form of the Indenture.

The Agreement

Pursuant to the Agreement, the Corporation has leased the Facility to the Division, and the Division makes to the Corporation the following payments:

- (i) Base Rental payments (the “***Base Rental***”) at the times and in the amounts sufficient to enable the Corporation to (a) make payments of principal of, premium, if any, and interest on the Bonds, (b) make up any deficiency in the required balance in any fund or account held under the Indenture, and restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture; and
- (ii) Additional Rental payments (the “***Additional Rental***” and, together with the Base Rental, the “***Rental***”) sufficient to enable the Corporation to pay any and all expenses, of every nature, character and kind whatsoever, incurred by or on behalf of the Corporation and/or the Division in the management, operation, ownership and/or maintenance of the Facility.

The Base Rental is irrevocably pledged by the Corporation pursuant to the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds. The Agreement provides that payment of the Base Rental will be made directly by the Division from legally available funds to the Trustee as follows:

- (i) Semiannually, on each June 15 and December 15 during the term of the Agreement, commencing December 15, 2025, or if such dates are not a Business Day, on the next succeeding Business Day, an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Bonds on January 1 or July 1, as the case may be; and
- (ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

See Appendix B attached hereto for the form of the Agreement.

IN CONNECTION WITH THE ISSUANCE OF THE BONDS, THE CORPORATION AND THE DIVISION, ACTING ON BEHALF OF THE STATE, WILL EXECUTE THE AGREEMENT, WHICH REQUIRES THE DIVISION TO MAKE TO THE CORPORATION PAYMENTS SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE AND OTHER AMOUNTS PAYABLE WITH RESPECT TO THE BONDS AND THE FACILITIES. THE DIVISION'S OBLIGATION TO MAKE RENTAL PAYMENTS UNDER THE AGREEMENT IS SUBJECT TO, AND DEPENDENT UPON, ANNUAL APPROPRIATION OF FUNDS BY THE STATE LEGISLATURE. NO REPRESENTATION IS, OR CAN BE, GIVEN THAT SUCH APPROPRIATIONS WILL BE MADE. THE FAILURE OF THE STATE TO APPROPRIATE SUFFICIENT FUNDS FOR THE PAYMENT OF SUMS DUE UNDER THE AGREEMENT WILL NOT CONSTITUTE A DEFAULT UNDER THE AGREEMENT.

The Agreement provides that the State's obligation to pay the Base Rental and the Additional Rental is absolute and unconditional, subject only to the appropriation of sufficient funds in each Fiscal Year by the Legislature. The State's obligation is not subject to any diminution, abatement, set-off or counterclaim. The State's obligation to pay the Base Rental payments and the Additional Rental payments continues until such time as the principal of, premium, if any, and interest on the Bonds are paid in full.

The Division covenants to include in the Executive Budget amounts necessary to pay the Base Rental and the Additional Rental, subject to appropriation by the Legislature, and the Division further covenants to take such action as may be necessary to cause amounts sufficient to pay the Base Rental and the Additional Rental to be included in the Division's budget statements or estimated financial requirements to be submitted in preparation of the Budget. Both the Base Rental and the Additional Rental represent payment for the Facility. The Agreement provides that failure of the State to appropriate a sufficient amount to pay the full Base Rental and full Additional Rental for the entire Facility will result in the termination of the Agreement. Although the Division covenants to seek an appropriation by the Legislature in an amount necessary to pay the Base Rental and Additional Rental funds, the Division further covenants in the Agreement to use its best efforts to cause the Agencies to pay, to the extent such amounts are appropriated by the Legislature, all amounts owed by the Agencies to the Division under the Agency Subleases.

If the Legislature appropriates sufficient funds to the Division to pay the Base Rental and Additional Rental and the Division fails to make such payments to the Corporation or breaches a covenant of the Agreement (an “***Event of Default***”) as more fully described in the Agreement (the form of which is attached hereto as Appendix B), the Corporation may, at its option, (i) terminate the Agreement and re-enter the Facility and eject all parties in possession, and/or (ii) re-enter the Facility and eject all parties in possession without terminating the Agreement, and re-let the Facility as agent for, and for the account of, the State, in which event the rents received will be applied, first, to all expenses of re-letting and collecting and, second, for the payment of Base Rental. In such event, the Agreement obligates the State to pay any deficiency in Base Rental, subject to appropriation by the Legislature.

In the event that no funds or insufficient funds are lawfully appropriated in any Fiscal Year, then on the first day of the month following the Base Rental payment date on which the last payment of Base Rental is made, the Agreement will terminate. The State agrees to peaceably surrender possession of all Facility upon termination of the Agreement, and the Corporation will take possession and re-let or sell the Facility.

The Assignment

The Corporation will execute the Assignment in favor of the Trustee, granting a continuing security interest in all of the Corporation’s presently existing and future Pledged Revenues.

Pursuant to the Assignment, the Corporation will assign to the Trustee, for the benefit of the Secured Obligations (as defined in the Assignment to mean the Bonds and any Future Secured Obligations as permitted by the Assignment and the Indenture), the Pledged Revenues, to the extent allowed by the UCC. Under the Assignment, the Corporation is authorized from time to time to grant a parity assignment to secure its obligations with respect to any Future Secured Obligations, but otherwise the Corporation may not grant any parity security interest in any portion of the Pledged Revenues thereof assigned under the Assignment.

In the opinion of Bond Counsel, under current law, the Assignment will create a valid, first priority security interest of the Trustee in the Pledged Revenues, as such term is defined in the Assignment, to the extent provided in the UCC, the benefit of which security interest will be shared equally and ratably by the registered owners of the Bonds, and any Future Secured Obligations permitted by the Assignment and the Indenture. In addition, the validity, enforceability and priority of security interests created thereby in the Pledged Revenues may be further limited by the following: (i) statutory liens; (ii) rights of the United States of America or any agency thereof; (iii) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (iv) bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws affecting creditors’ rights generally; (v) the requirement that appropriate renewal notice of the Assignment and/or UCC financing statements be recorded and reinscribed or continued in effect in accordance with Louisiana law, as from time to time in effect; (vi) general principles of equity and the exercise of judicial discretion in applying remedies for the enforcement of the rights and security provided for there, including the remedy of specific performance, and otherwise; and (vii) the exercise of the sovereign police powers of the State and its governmental bodies. See Appendix B attached hereto, which includes the form of the Assignment.

Additional Bonds

Additional Bonds on a parity with the Bonds may be issued by the Corporation in one or more series under a supplement to the Indenture to pay all or a part of the additional costs of the Facility or to make any improvements, renovations or additions to all or any part of the Facility, so long as:

- (a) No Event of Default under the Indenture has occurred and is then continuing and the Corporation shall have approved the issuance of such Additional Bonds; and
- (b) There shall have been filed with the Trustee an opinion of an attorney or firm of attorneys generally recognized as having expertise in matters relating to municipal bonds to the effect that the exclusion from “**gross income**” for Federal income tax purposes of the interest on the Bonds then outstanding under the Indenture shall not be adversely affected.

Capitalized Interest Fund

During the period of time commencing on the date of issuance of the Bonds and ending immediately after the payment of the [July 1, 2027] debt service payment (the “**Capitalized Interest Period**”), the Trustee will transfer money from the Capitalized Interest Fund to the Interest Account of the Debt Service Fund to be used to pay the initial debt service payments on the Bonds on any Interest Payment Date to and including [July 1, 2027]. Interest earned on and any profit realized from the investment of money in the Capitalized Interest Fund will be retained in said fund and used to make the transfers described in Section 4.1(b) of the Indenture. If there are amounts remaining in the Capitalized Interest Fund after the end of the Capitalized Interest Period, the Trustee will transfer such amounts to the Project Fund.

No Reserve Fund

The Bonds will not be secured by any debt service reserve fund.

DEBT SERVICE REQUIREMENTS*

The following table sets forth, for each Fiscal Year ending June 30, the Debt Service Requirements of the Corporation, including the Bonds. Note that numbers may not add due to rounding.

Fiscal Year Ending	Principal on Series	Interest on Series	Aggregate Debt
<u>June 30</u>	<u>2025 Bonds*</u>	<u>2025 Bonds*</u>	<u>Service*</u>
2026	\$ -	\$1,624,953.89	\$1,624,953.89
2027	-	3,848,575.00	3,848,575.00
2028	-	3,848,575.00	3,848,575.00
2029	1,250,000	3,817,325.00	5,067,325.00
2030	1,315,000	3,753,200.00	5,068,200.00
2031	1,380,000	3,685,825.00	5,065,825.00
2032	1,450,000	3,615,075.00	5,065,075.00

*Preliminary, subject to change.

2033	1,525,000	3,540,700.00	5,065,700.00
2034	1,605,000	3,462,450.00	5,067,450.00
2035	1,685,000	3,380,200.00	5,065,200.00
2036	1,775,000	3,293,700.00	5,068,700.00
2037	1,865,000	3,202,700.00	5,067,700.00
2038	1,960,000	3,107,075.00	5,067,075.00
2039	2,060,000	3,006,575.00	5,066,575.00
2040	2,165,000	2,900,950.00	5,065,950.00
2041	2,275,000	2,789,950.00	5,064,950.00
2042	2,395,000	2,673,200.00	5,068,200.00
2043	2,515,000	2,550,450.00	5,065,450.00
2044	2,645,000	2,421,450.00	5,066,450.00
2045	2,780,000	2,285,825.00	5,065,825.00
2046	2,925,000	2,143,200.00	5,068,200.00
2047	3,080,000	1,989,225.00	5,069,225.00
2048	3,245,000	1,823,193.75	5,068,193.75
2049	3,420,000	1,648,237.50	5,068,237.50
2050	3,605,000	1,463,831.25	5,068,831.25
2051	3,795,000	1,269,581.25	5,064,581.25
2052	4,000,000	1,064,962.50	5,064,962.50
2053	4,220,000	849,187.50	5,069,187.50
2054	4,445,000	621,731.25	5,066,731.25
2055	4,685,000	382,068.75	5,067,068.75
2056	<u>4,935,000</u>	<u>129,543.75</u>	<u>5,064,543.75</u>
Total	<u>\$75,000,000</u>	<u>\$76,193,516.39</u>	<u>\$151,193,516.39</u>

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“**AG**”) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as Appendix E to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“**AGL**” and together with its subsidiaries, “**Assured Guaranty**”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including

infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("**KBRA**") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("**Moody's**"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("**AGM**"), merged with and into AG, with AG as the surviving company (such transaction, the "**Merger**"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At March 31, 2025:

- The policyholders' surplus of AG was approximately \$3,522 million.
- The contingency reserve of AG was approximately \$1,421 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,416 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption “**BOND INSURANCE – Assured Guaranty Inc.**” or included in a document incorporated by reference herein (collectively, the “AG Information”) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “**BOND INSURANCE.**”

BONDHOLDERS’ RISKS AND INVESTMENT CONSIDERATIONS

IN ADDITION TO THE OTHER INFORMATION IN THIS OFFICIAL STATEMENT, THE RISK FACTORS SET FORTH BELOW SHOULD BE CONSIDERED CAREFULLY IN EVALUATING AN INVESTMENT IN THE BONDS OFFERED HEREBY. NO ASSURANCES CAN BE GIVEN THAT ADDITIONAL RISKS DO NOT NOW EXIST OR WILL NOT ARISE IN THE FUTURE THAT WILL IMPAIR THE ABILITY OF THE CORPORATION TO PAY, WHEN DUE, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS. POTENTIAL INVESTORS SHOULD SEEK ANY OTHER RELEVANT INFORMATION RELATING TO THE BONDS AND THE SECURITY THEREFOR DEEMED BY THEM TO BE ESSENTIAL OR APPROPRIATE TO MAKING AN INFORMED INVESTMENT DECISION.

Nonappropriation Risk

IN CONNECTION WITH THE ISSUANCE OF THE BONDS, THE CORPORATION AND THE DIVISION, ACTING ON BEHALF OF THE STATE, WILL EXECUTE THE AGREEMENT, WHICH REQUIRES THE DIVISION TO MAKE RENTAL PAYMENTS TO THE CORPORATION WHICH ARE SUFFICIENT TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS WHEN DUE AND OTHER AMOUNTS PAYABLE WITH RESPECT TO THE BONDS. THE DIVISION’S OBLIGATION TO MAKE RENTAL PAYMENTS UNDER THE AGREEMENT IS SUBJECT TO, AND DEPENDENT UPON, ANNUAL APPROPRIATION OF SUFFICIENT FUNDS BY THE STATE LEGISLATURE. NO REPRESENTATION IS, OR CAN BE, GIVEN THAT SUCH APPROPRIATIONS WILL BE MADE. THE FAILURE OF THE STATE LEGISLATURE TO APPROPRIATE SUFFICIENT FUNDS FOR THE PAYMENT OF SUMS DUE UNDER THE AGREEMENT FOR ANY REASON WILL NOT CONSTITUTE A DEFAULT UNDER THE AGREEMENT; HOWEVER, THE AGREEMENT SHALL, IN SUCH EVENT, TERMINATE WITHOUT PENALTY ON THE FIRST DAY OF THE MONTH FOLLOWING THE BASE

RENTAL PAYMENT DATE ON WHICH THE LAST PAYMENT OF BASE RENTAL CAN BE MADE FROM LAWFULLY APPROPRIATED FUNDS.

The Agreement provides that the Division's obligation to pay Rental payments is absolute and unconditional, subject only to the appropriation of sufficient funds in each Fiscal Year by the Legislature to enable the Division to make Rental payments to the Corporation. The State's obligation is not subject to any diminution, abatement, set-off or counterclaim. The State's obligation to pay the Rental payments continues through such time as the Bonds and any Additional Bonds are paid in full or defeased.

The Division covenants to include in the Executive Budget amounts necessary to pay the Base Rental and the Additional Rental, subject to appropriation by the Legislature, and the Division further covenants to take such action as may be necessary to cause amounts sufficient to pay the Base Rental and the Additional Rental to be included in the Division's budget statements or estimated financial requirements to be submitted in preparation of the Budget. Both the Base Rental and the Additional Rental represent payment for the Facility. The Agreement provides that failure of the State to appropriate a sufficient amount to pay the full Base Rental and full Additional Rental for the entire Facility will result in the termination of the Agreement. Although the Division covenants to seek an appropriation by the Legislature in an amount necessary to pay the Base Rental and Additional Rental funds, the Division further covenants in the Agreement to use its best efforts to cause the Agencies to pay, to the extent such amounts are appropriated by the Legislature, all amounts owed by the Agencies under the Agency Subleases.

It is the existing practice of the Legislature to make appropriations in its general appropriations bill for each Fiscal Year to the Division to enable the Division to make Rental payments to the Corporation for the purpose of servicing indebtedness on State buildings owned and maintained by the Corporation, including the Facility. There can be no assurance that general fund revenues will be available and appropriated to the Division sufficient to make the Rental payments when due. If the Division fails to make Base Rental and/or Additional Rental payments, it shall seek to obtain a supplemental appropriation during the next regular session of the Legislature held each spring. No assurance can be made, however, that the Legislature will make a supplemental appropriation or that any such appropriation made will be sufficient to enable the Division to pay Base Rental and Additional Rental payments in full, thus enabling the Corporation to pay principal of and interest on the Bonds when due. THE FAILURE OF THE STATE TO APPROPRIATE SUFFICIENT FUNDS FOR THE PAYMENT OF SUMS DUE UNDER THE AGREEMENT WILL NOT CONSTITUTE A DEFAULT UNDER THE AGREEMENT. See **"SOURCES OF PAYMENT AND SECURITY FOR THE BONDS - The Agreement"** herein and Appendix B attached hereto.

In the event the Legislature appropriates sufficient funds and the Division fails to pay the Base Rental or Additional Rental or breaches a covenant of the Agreement (an **"Event of Default"**) as more fully described in the Agreement (the form of which is attached hereto as Appendix B), the Corporation may, at its option, terminate the Agreement and re-enter the Facility and eject all parties in possession. In such event, the Agreement obligates the State to pay any deficiency in Base Rental, Additional Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been appropriated for payment to the Corporation

under this Agreement, but not paid to the Corporation), and to enforce other obligations of the Division which survive termination of the Agreement, subject to appropriation by the Legislature.

In the event that no funds or insufficient funds are lawfully appropriated in any Fiscal Year, then on the first day of the month following the Base Rental payment date on which the last payment of Base Rental is made, the Agreement will terminate. The State agrees to peaceably surrender possession of Facility upon termination of the Agreement, and the Corporation will take possession and re-let or sell the Facility.

The State is not obligated to lease buildings from the Corporation, and the State may lease or acquire buildings from parties other than the Corporation. Nothing obligates the State to give equal or greater priority to appropriation of Base Rental and Additional Rental for the Facility under the Agreement than to payments for leases with parties other than the Corporation.

Nature of Facility

Upon the occurrence of an Event of Default or a nonappropriation by the Legislature, the ability of the Corporation to lease or sell the Facility will be dependent upon many factors, the effect of which cannot be predetermined. No assurance is or can be given that the Corporation can lease or sell the Facility, or, if leased or sold, that such lease or sale will produce significant revenues.

Enforceability of Remedies

Under the terms of the Indenture, the Corporation is obligated to make full and timely payment of principal of and interest on the Bonds and to observe numerous other agreements and covenants, and the Indenture provides remedies upon default by the Corporation. Under the terms of the Agreement, the Division is obligated to make full and timely payment of Rental and to observe numerous other agreements and covenants, and the Agreement provides remedies upon default by the Division. These remedies may, in many respects, require judicial actions which are often subject to discretion and delay. Under existing law, the remedies specified by the Indenture and the Agreement may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Indenture and the Agreement. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions and principles of equity affecting remedies and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

Secondary Market

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market for the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market will develop. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes, and prospective Bond purchasers should be prepared to hold their Bonds to maturity or prior redemption.

For additional State-specific risks relating to climate and cybersecurity, see “**HURRICANES AFFECTING THE STATE,**” “**ENVIRONMENTAL RISKS,**” and “**CYBERSECURITY**” in PART I attached hereto.

TAX MATTERS

General

Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel, is of the opinion that, under existing law, and assuming continuing compliance with covenants of the Corporation designed to meet the applicable requirements of the Internal Revenue Code of 1986, as amended (the “**Code**”), interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes. See the proposed form of opinion of bond counsel attached as Appendix A hereto.

Louisiana Tax Matters

In the opinion of Bond Counsel, under existing law, the Bonds, their transfer, and the income therefrom shall at all times be free from taxation of every kind by the State of Louisiana and by all political subdivisions in the State of Louisiana.

Tax Matters Relative to the Bonds

General. The Code imposes a number of requirements that must be satisfied subsequent to the issuance and delivery of the Bonds in order for interest on State and local obligations, such as the Bonds, to be excluded from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of certain bond proceeds be rebated periodically to the United States Treasury, except under certain circumstances, and a requirement that information reports be filed with the Internal Revenue Service. The Corporation has covenanted that it will, to the extent permitted by the laws of the State, comply with the requirements of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The opinion of Bond Counsel will assume continuing compliance with the covenants in the Indenture and the Tax Certificate pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the State with respect to matters solely within the knowledge of the State, which Bond Counsel has not independently verified. If the Corporation should fail to comply with the covenants in the Indenture or Tax Certificate or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become included in gross income for federal income purposes from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may affect the tax status of the interest on the Bonds.

Owners of the Bonds should be aware that (i) the ownership of tax-exempt obligations, such as the Bonds, may result in collateral federal income tax consequences to certain taxpayers, and (ii) certain other federal, State and/or local tax consequences may also arise from the ownership and disposition of the Bonds or receipt of interest on the Bonds. Furthermore, future laws and/or regulations enacted by federal, State or local authorities may affect certain owners of the Bonds.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

Except as stated above, Bond Counsel will express no opinion as to any federal, State or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bonds.

Alternative Minimum Tax Considerations. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the “adjusted financial statement income” of certain corporations for the purpose of computing the alternative minimum tax imposed on such corporations.

Tax Treatment of Original Issue Discount. Certain maturities of the Bonds (collectively, the “***OID Bonds***”) may be offered and sold to the public at an original issue discount (“***OID***”). ***OID*** is the excess of the stated redemption price at maturity over the “issue price” of the ***OID Bonds***. The issue price of the ***OID Bonds*** is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the ***OID Bonds*** of the same maturity is sold pursuant to that offering. For federal income tax purposes, ***OID*** accrues to the owner of an ***OID Bond*** over the period to its maturity based on the constant interest rate method, compounded semiannually. With respect to a purchaser of an ***OID Bond***, the portion of ***OID*** that accrues during the period such purchaser owns the ***OID Bond*** is added to that purchaser’s tax basis for purposes of determining gain or loss on the maturity, redemption, sale or other disposition of the ***OID Bond***. With respect to a purchaser of an ***OID Bond***, interest is excludable from that purchaser’s gross income for federal income tax purposes to the same extent and subject to the same considerations discussed above. Thus, an owner who purchased an ***OID Bond*** in the initial public offering at its issue price and holds such ***OID Bond*** to its stated maturity will realize no taxable gain for federal income tax purposes upon payment of the stated redemption price of ***OID Bond*** at maturity. The portion of the amount of ***OID*** that accrues each year to a corporate owner of an ***OID Bond*** is taken into account in computing the corporation’s federal alternative minimum tax liability and federal environmental tax liability, although no corresponding cash payment will be received with respect to an ***OID Bond*** until its stated maturity or early redemption prior to stated maturity.

Owners of the ***OID Bonds*** (including owners that purchase a ***OID Bond*** other than pursuant to the initial public offering) should consult their own tax advisors as to the determination for federal income tax purposes of the amount of ***OID*** properly accruable each year with respect to the ***OID Bond***, the adjusted basis on the ***OID Bond*** for purposes of determining taxable gain or

loss upon the sale or other disposition of the OID Bond (including sale, redemption or other disposition of the OID Bonds at maturity) and as to other federal tax consequences and any state and local tax aspects of owning the OID Bonds.

Tax Treatment of Original Issue Premium. Certain maturities of the Bonds may be offered and sold to the public at a price in excess of their stated principal amounts (collectively, the “***Premium Bonds***”). Such excess is characterized as a “bond premium” and must be amortized by an investor purchasing a Premium Bond on a constant yield basis over the remaining term of the Premium Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium related to a tax-exempt bond for federal income tax purposes. However, as bond premium is amortized, it reduces the investor’s basis in the Premium Bond. Investors who purchase a Premium Bond should consult their own tax advisors regarding the amortization of bond premium and its effect on the Premium Bond’s tax basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Premium Bond.

Qualified Tax-Exempt Obligations. The Bonds are **NOT** designated as “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B) of the Code.

Changes in Federal and State Tax Law. From time to time, there are legislative proposals in Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“***S&P***”), Ross Tower, Suite 3200, 500 North Akard Street, Dallas, Texas 75201, is expected to assign the insured ratings of “AA” (stable outlook) from S&P upon issuance and delivery of the

bond insurance policy by AG and an underlying rating as indicated on the front cover page to the Bonds. The Corporation and the Division, on behalf of the State, furnished S&P with certain information and materials concerning the Bonds and the State. Generally, S&P bases its ratings on such information and materials and also on investigations, studies and assumptions that it may undertake independently. The ratings assigned by S&P express only the views of S&P, and the explanation of the significance of such ratings may be obtained from S&P, respectively. There is no assurance that any rating will continue for any period of time or that such rating may not be suspended, lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any revision, suspension or withdrawal of the ratings on the Bonds may have an effect on the market price thereof.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance, validity and exclusion from gross income for federal income tax purposes of interest on the Bonds are subject to the approval of Jones Walker LLP, Baton Rouge, Louisiana, Bond Counsel, copies of whose approving opinion will be printed on the Bonds and the proposed form of which is included in Appendix A. Certain other legal matters will be passed upon for the Division by its executive counsel, and for the Trustee by its counsel, Gregory A. Pletsch & Associates, Baton Rouge, Louisiana. In addition, certain legal matters will be passed upon for the Underwriter by Butler Snow LLP, Shreveport, Louisiana.

MUNICIPAL ADVISOR

Public Resources Advisory Group, Inc. (the “*Municipal Advisor*”) serves as the independent registered municipal advisor to the State on matters relating to debt management and is serving as municipal advisor to the Corporation. The Municipal Advisor has not been engaged, nor has it undertaken, to make an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Bonds are being initially purchased for reoffering by Raymond James & Associates, Inc. (the “*Underwriter*”), pursuant to a Bond Purchase Agreement (the “*Bond Purchase Agreement*”). The Bonds are being purchased at an aggregate purchase price of \$_____ (representing \$_____ original principal amount of the Bonds plus/less net original issue premium/discount of \$_____ and less an Underwriter’s discount of \$_____). The Bond Purchase Agreement requires the Underwriter to purchase all of the Bonds if any are purchased.

The Underwriter intends to offer the Bonds to the public initially at the price set forth on the cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allot or effect transactions which stabilize or maintain the market price of the Bonds

offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

Pursuant to the Bond Purchase Agreement, the Corporation will indemnify the Underwriter against losses, claims and liabilities arising out of any untrue statement of a material fact contained in this Official Statement or the omission therefrom of any material fact in connection with the transactions contemplated by this Official Statement.

LITIGATION

There is no litigation of any nature now pending or threatened to restrain or enjoin the sale, execution, issuance or delivery of the Bonds or in any way contesting the validity of said Bonds or any proceeding of the Corporation taken with respect to the authorization, sale, or issuance of the Bonds or the pledge or application of any moneys provided for the payment of or security for the Bonds. There is no litigation of any nature now pending or overtly threatened by written communication to restrain or enjoin the execution of or contesting the validity of the Agreement or the ability of the Corporation or the Division to enter into said Agreement. Outstanding litigation of the State is more fully described herein under “**LEGAL MATTERS**” in PART II attached hereto.

CONTINUING DISCLOSURE

General

The Division, on behalf of the State, as an “obligated person” within the meaning of Rule 15c2-12 of the Securities and Exchange Commission (17 C.F.R. Part 240, section 140.15c2-12) (the “**Rule**”), will enter into an undertaking (the “**Undertaking**”) for the benefit of the owners of the Bonds to file so long as the Bonds are outstanding, certain financial information annually and a notice of certain listed events upon the occurrence of such events, with the Municipal Securities Rulemaking Board (“**MSRB**”) electronically through MSRB’s Electronic Municipal Market Access system (“**EMMA**”). The specific nature of the information to be contained in the Annual Report or notices of listed events is set forth in the Form of Continuing Disclosure Certificate contained in Appendix C attached hereto.

A failure by the Division, on behalf of the State, to comply with the Undertaking will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior Undertakings

The responsibility for continuing disclosure report requirements under the Rule for the State is generally divided between the Division and the State Bond Commission. The Division is responsible for continuing disclosure for certain bonds secured by State appropriations, including certain bonds issued for correctional facilities, economic development and higher education projects and for office facilities (the “**State Appropriation Bonds**”), such as the Bonds.

The Division, on behalf of the State, has established written policies to ensure that the reporting requirements of the Division, on behalf of the State, under the Rule with respect to the State Appropriation Bonds are complied with in the future on a timely basis. The policies provide that the reporting requirements for the Division will be undertaken by the Office of Statewide Reporting and Accounting Policy, which is also responsible for preparation of the State's Annual Comprehensive Financial Report. The policies include the appointment of a specific disclosure representative, procedures for voluntary disclosure filings, procedures for review and execution of continuing disclosure undertakings, internal recordkeeping requirements and procedures for transition of duties upon the departure and replacement of the disclosure representative, among other policies and procedures. The Division has also enrolled in the EMMA automated email reminder system, which alerts issuers and obligated persons to upcoming filing deadlines for financial and operating information.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the Corporation and the Division will furnish the Underwriter a certificate signed by an officer of the Corporation and the Commissioner of Administration to the effect that (i) the information, descriptions and statements, including financial statements and data, of or pertaining to the Corporation and the State, contained in the Official Statement, including the cover page and appendices hereto, on the date of the Official Statement, were and are correct in all material respects, and (ii) insofar as the Corporation and the Division and its affairs, including its financial affairs, are concerned, the Official Statement, including the cover page and appendices hereto, did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (iii) insofar as the descriptions and statements, including financial data, contained in the Official Statement of or pertaining to governmental and/or non-governmental bodies other than the Corporation and the Division and their activities contained in the Official Statement, including the cover page and appendices hereto, are concerned, such information, descriptions, statements, and data have been obtained from sources which the Corporation and the Division believe to be reliable and the Corporation and the Division have no reason to believe that they are untrue or incomplete in any material respect, and (iv) there has been no material adverse change in the affairs of the Corporation and the Division between the date of the Official Statement and the date of delivery of the Bonds.

MISCELLANEOUS

The Corporation and the Division, on behalf of the State, have furnished the information in **Appendices A, B and C** to this Official Statement and the information herein relating to the Corporation, the Division and the Facility. The Underwriter has furnished the information contained in this Official Statement with respect to the public offering prices of the Bonds and the information under the caption **"UNDERWRITING."**

The purpose of this Official Statement is to supply information to prospective purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such

documents and statutes for full and complete statements as to their provisions. The Official Statement is not intended to be a contract or agreement between the State and the purchasers and owners of the Bonds. This Official Statement may not be reproduced or used, in whole or in part, for any purpose other than in connection with the issuance and sale of the Bonds.

All data contained herein, including the appendices hereto, have been taken from State records unless attributed to a specific source. Insofar as any statements contained in this Official Statement involve matters of estimates, projections, forecasts or matters of opinion, whether or not expressly stated, they are set forth as such and are not to be construed as representations of fact.

The State will provide appropriate credit information to the nationally recognized rating agencies that rate the State's securities to enable these organizations to review the outstanding ratings. However, the ratings may be revised or withdrawn at any time and the State's provision of information to the rating agencies does not ensure the continued existence of ratings.

The Corporation has duly authorized and directed the delivery of this Official Statement to the Underwriter for use in connection with the public offering of the Bonds.

OFFICE FACILITIES CORPORATION

/s/
Vice President

**DIVISION OF ADMINISTRATION,
ACTING ON BEHALF OF THE STATE OF LOUISIANA**

/s/
Commissioner of Administration

PART I

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PART I

INFORMATION CONCERNING THE STATE OF LOUISIANA

PART I contains certain information concerning the State of Louisiana (the “State”), including budget information, the most recent Budget, the most recent Revenue Estimating Conference report, and the State’s economy, as updated or supplemented to the date specified herein. The State intends to update and supplement such information (the “Annual Information Statement”) on an annual basis; the State reserves the right to change the format to reflect changed conditions. PART I has been supplied by the State to provide additional information about the financial condition of the State. Furthermore, in addition to financial information and operating data described herein, Part I includes narrative and contextual information describing current or recent events and other matters which may or may not be updated and/or supplemented from year to year in the Annual Information Statement, depending on the relevance of such information at the time it is filed with EMMA, as hereinafter described.

The Annual Information Statement will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system and, subject to the above, will be updated annually. An electronic copy of the Annual Information Statement will be accessible through the EMMA system at www.emma.msrb.org. An official copy of the Annual Information Statement may be obtained by contacting the State Bond Commission, P.O. Box 44154, Baton Rouge, Louisiana 70804; telephone: (225) 342-0040.

THE DOCUMENT CONTAINS STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS DOCUMENT, SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED, SUCH AS “ESTIMATE,” “INTENT,” “PLAN”, “ENABLE”, “ANTICIPATE”, “PROJECT”, “BUDGET”, “EXPECT” AND OTHER SIMILAR EXPRESSIONS WHICH ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THE ACHIEVEMENT OF CERTAIN RESULTS OR EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

STATE BUDGETARY PROCESS

Budgetary Process

The Louisiana Revised Statutes and the Constitution of the State of Louisiana of 1974, as amended (the “*State Constitution*”) provide certain State law requirements that outline the State’s budgetary process. La. R.S. 39:33(A)(1), requires that, on a date specified by the Commissioner of Administration, but not later than November 15 of each year, the head of each budget unit submit to the Governor, the Joint Legislative Committee on the Budget (the “*JLCB*”) and the Legislative Fiscal Office (the “*LFO*”) an estimate of financial requirements and receipts of the budget unit for the ensuing fiscal year. La. R.S. 39:32 requires each budget unit to submit its request to the State budget office at the existing operating budget level with a prioritized listing of budget adjustments. La. R.S. 39:29 further requires the State budget office to prepare a nondiscretionary adjusted standstill budget and continuation budget to submit to the JLCB at its first meeting after January 1 of each year.

The Governor is required to prepare an executive budget, submit a copy to the JLCB forty-five (45) days (except that during the first year of each term it shall be submitted 30 days) prior to the beginning of the regular session of the Louisiana Legislature (the “*Legislature*”), and transmit a copy to each member of the Legislature on the first day of the regular session. La. R.S. 39:36 also requires the Governor to submit a budget message in the executive budget summarizing the proposed financial plan and programmatic policies, including a statement of impact that his proposed recommendations have on the existing operating budget. The budget is enacted into law by the Legislature and sent to the Governor for his signature. The State Constitution prohibits the passage of an unbalanced budget. The Governor may veto any line item appropriation, subject to legislative override.

During the execution phase of the budget process, the Commissioner of Administration may approve the transfer of funds between programs within a budget unit, which, in the aggregate, do not exceed one percent of the total appropriation of the budget unit, when sufficient evidence is presented to the Commissioner of Administration indicating the operations of the budget unit or programs are being, or will be, impaired without such transfers. With the approvals required by law, the Commissioner of Administration, with the approval of the JLCB, may approve the transfer of funds between programs within a budget unit, provided that the transfers authorized do not exceed twenty-five percent in the aggregate of the total appropriation of the budget unit for a fiscal year. Budget revisions during the year reflecting increases in expenditures due to increases in federal funds, statutory dedications and self-generated revenues must be approved by the Commissioner of Administration and the JLCB.

State law requires the Governor to submit to the Legislature, no later than the eighth day of the regular legislative session, a proposed five-year capital outlay program. The Legislature enacts into law a bill that incorporates the first year of the five-year capital outlay program. The program for the remaining four years, itemizing the capital projects, amounts and funding sources, is to be adopted by concurrent resolution of the Legislature.

Under State law, prior year appropriation activities are required to be completed within 45 days after the fiscal year end, June 30. Additionally, the law limits the usage of prior period appropriation balances after the June 30 close to only those items that are true liabilities and further delineates those items for which appropriations can be rolled forward. Upon approval of the Commissioner of Administration, any State funds that were appropriated during a fiscal year specifically for the purpose of matching federal grants and any federal funds may be carried forward into the ensuing year’s appropriation.

The Commissioner of Administration, pursuant to La. R.S. 39:334, is the general accountant of the State and keeper of all public accounts, books, vouchers, documents, and other papers relative to revenue, debt, and fiscal affairs. As general accountant, the Commissioner of Administration has authority to draw all warrants upon the State Treasury for funds in cases expressly provided by law. No warrant, however, is required to be drawn until a monthly budget has been approved. Such warrant must express, on its face, the particular fund or other identified schedules from which the money appropriated by law is to be drawn. The Commissioner of Administration is also required to keep accounts between the State and the State Treasurer and make quarterly reports to the Governor of the amount of money in the custody of the State Treasurer belonging to the State. Appropriations are made available to the budget units, upon approval of the Division of Administration, in an allotment determined to be sufficient by the Division of Administration. Financial information contained in this Part I and II, unless otherwise noted, has been furnished by the Division of Administration.

Per La. R.S. 39:75, the Division of Administration is required to submit a budget status report monthly to the JLCB. The budget status report presented at the first meeting of the JLCB after October 15 of any fiscal year shall reflect the “balance in any fund” for the previous fiscal year. “*Balance in any fund*” is defined in La. R.S. 39:2(5.1) to mean the deficit or surplus in any fund at the close of the fiscal year. A “*deficit*” is

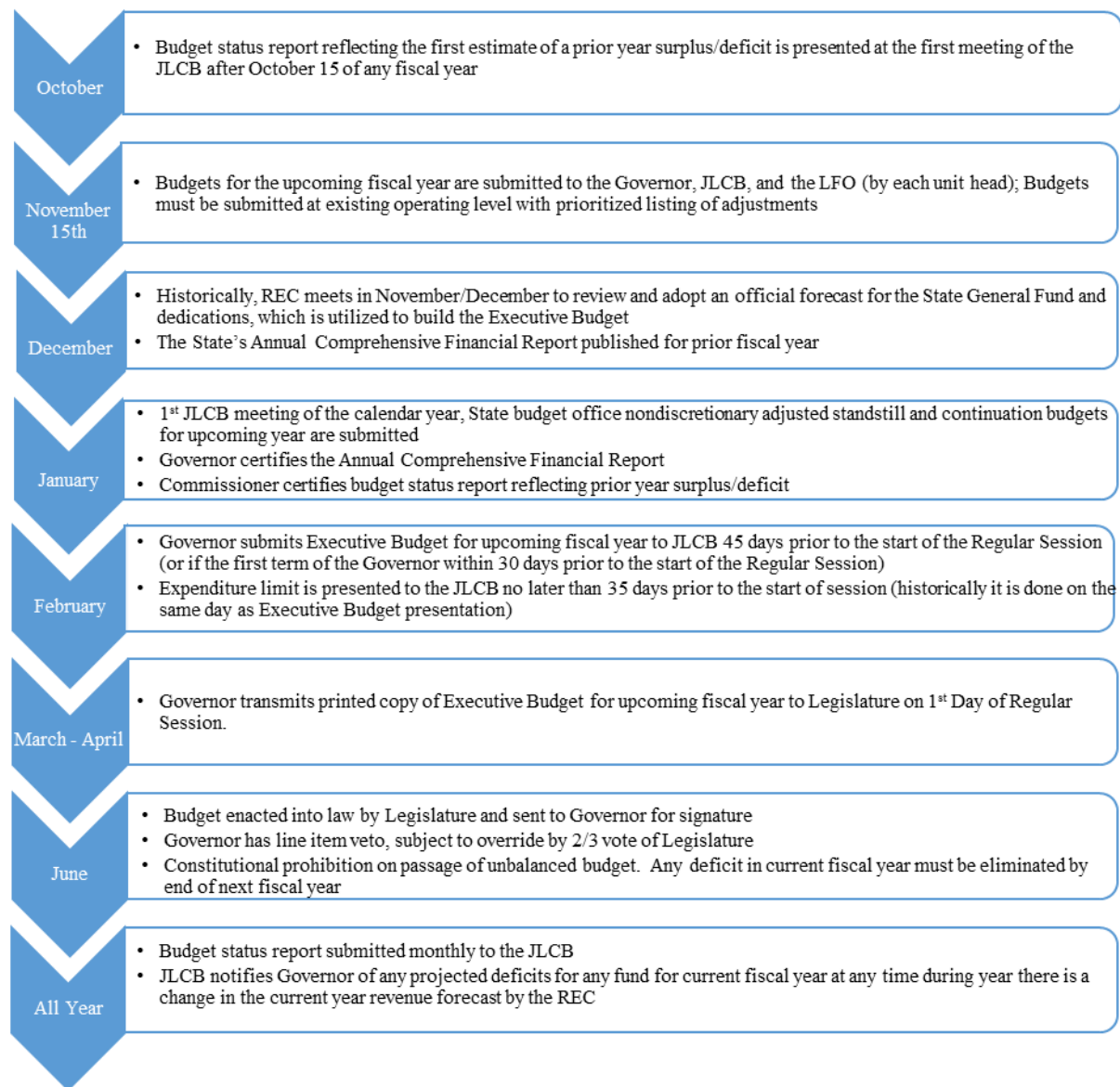
defined in La. R.S. 39:2(11.1) to mean “the excess for any fiscal year of actual expenditures paid by warrant or transfer over the actual monies received and any monies or balances carried forward for any fund at the close of the fiscal year as such are reported by the Office of Statewide Reporting within the Division of Administration.” Conversely, a “*surplus*” is defined in La. R.S. 39:2(48) to mean “the excess for any fiscal year of the actual monies received and any monies or balances carried forward over the actual expenditures paid by warrant or transfer for any fund at the close of the fiscal year as such are reported by the Office of Statewide Reporting within the Division of Administration.”

At the first meeting of the JLCB after publication of the State’s Annual Comprehensive Financial Report, the Commissioner of Administration shall certify to the JLCB the actual expenditures paid by warrant or transfer and the actual revenues received and any revenues or balances carried forward for any fund at the close of the previous fiscal year, which shall be reflected in the budget status report. At the first meeting of the JLCB after publication of the Annual Comprehensive Financial Report, the Commissioner of Administration and the Legislative Auditor shall present the budget status report to the JLCB. The budget status report shall include a section describing any issues that materially affect the budgetary soundness of the State, but that are not required to be fully addressed during the current fiscal year. The Division of Administration, after consultation with the Legislative Fiscal Office, shall prepare a description of each such issue. The description of such issues shall be submitted to the LFO at least one week prior to each meeting of the JLCB.

If the budget status report indicates that the total appropriation from any fund will exceed the official forecast for that fund, the JLCB shall immediately notify the Governor that a projected deficit exists for that fund. Upon receiving notification that a projected deficit exists; the Governor shall have interim budget balancing powers to adjust the budget for any program that is appropriated from a fund that is in a deficit posture. If, within thirty (30) days of the determination that a projected deficit exists in a fund the necessary adjustments are not made to eliminate the projected deficit, the Governor shall call a special session of the Legislature for this purpose unless the Legislature is in regular session. The State Constitution requires that a deficit existing at the end of a fiscal year must be eliminated no later than the end of the next fiscal year.

If the official forecast of recurring revenues for the next fiscal year is at least 1% less than the official forecast of recurring revenues for the current fiscal year, the Governor and the Legislature may employ certain methods and procedures in the development of the State budget for the next fiscal year for the purpose of avoiding a budget deficit in the next fiscal year. A diagram of the state budgetary process is reflected below.

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Revenue Estimating Conference

The Revenue Estimating Conference (the “REC”) was established by Act 814 of the 1987 Regular Session of the Legislature and given constitutional status in 1990 (Article VII, Sections 10(A) and (B) of the State Constitution). The REC was established to provide an official forecast of anticipated State revenues upon which each executive budget is to be based, to provide for a more stable and accurate method of financial planning and budgeting and to facilitate the adoption of a balanced budget as is required by Article VII, Section 10(E) of the State Constitution. In developing the official forecast, the REC may only consider revenues that are projected to accrue to the State as a result of laws and rules enacted and in effect during the forecast period. The REC is prohibited from including revenues that would be raised by proposed legislation or rules.

The REC is composed of the following principals: the Governor, the President of the Senate, the Speaker of the House of Representatives or their respective designees, and a faculty member with revenue forecasting expertise from a public or a private university in the State. Such faculty member is selected by the other three principals of the REC from a list of as many as five, but not fewer than three, faculty members

submitted to them by the Board of Regents after the board consults with the president of the Louisiana Association of Independent Colleges and Universities. La. R.S. 39:22 *et seq.* provides for membership of the REC to include as participants, along with the above-mentioned principals, persons who are invited to participate by a principal.

The REC, under La. R.S. 39:24 *et seq.*, is required to prepare and publish initial and revised estimates of revenue to be received by the State's General Fund (the "*General Fund*") and dedicated funds for the current and next five fiscal years that are available for appropriation (the "*REC Reports*"). All REC decisions to adopt these estimates must be by unanimous vote of its members who, under La. R.S. 39:26 *et seq.*, must meet at least four (4) times annually by: October 15, January 1, the third Monday in March, and August 15. The most recently adopted estimate of revenue available for appropriation shall be the official forecast. Appropriations by the Legislature from the General Fund shall not exceed the official forecast in effect at the time the appropriations are made.

In addition, under the provisions of Article VII, Section 10(B) of the State Constitution, the REC is required to designate, in each estimate, revenues that are "non-recurring." "*Non-recurring revenue*" is statutorily defined as "all revenue received by the State from any source identified by the REC as being of a "non-recurring" nature but does not include revenues from a source that has been available for the preceding two fiscal years or that will be available for the succeeding two fiscal years."

Under the provisions of Article VII, Section 10(D)(2) of the State Constitution, unless specifically addressed by another provision of the State Constitution, the appropriation of any revenue designated in the official forecast as "non-recurring" shall be made only for the purpose of retiring or for the defeasance of bonds in advance and, in addition to the existing amortization requirements of the State, providing for payments against the unfunded accrued liability of the public retirement systems, providing funding for capital outlay projects in the State's capital budget, providing for allocation or appropriation for deposit into the Budget Stabilization Fund established in Article VII, Section 10.3 of the State Constitution, providing for allocation or appropriation for deposit into the Coastal Restoration Fund, and providing for new highway construction for which federal matching funds are available.

Article VII, Section 10(D)(2)(b) of the State Constitution further provides that beginning in Fiscal Year 2024-2025 and every fiscal year thereafter, at least 25% of any officially designated nonrecurring revenue shall be appropriated for application to the balance of the unfunded accrued liabilities of all four State Retirement Systems (LASERS, LSPRS, TRSL, and LSERS), as described herein under the caption "**PENSION SYSTEMS - History and Background.**"

The Governor is required to cause to be prepared an executive budget presenting a complete financial and programmatic plan for the ensuing fiscal year based only upon the official estimate of anticipated State revenues, as determined by the REC. La. R.S. 39:54(c) provides that appropriations from the General Fund and dedicated funds for any fiscal year shall not exceed the official forecast in effect at the time the appropriations are made. Article VII, Section 10(J) of the State Constitution defines "*State general fund and dedicated funds*" to include all money required to be deposited in the State Treasury, except that money the origin of which is:

1. the federal government;
2. self-generated collections by any entity subject to the various higher education supervisory boards;
3. a transfer from another State agency, board, or commission; and
4. funds allocated to parishes for severance tax and royalties allocation in accordance with Article VII, Sections 4(D) and (E) of the State Constitution.

The REC Reports may be viewed at the official website of the LFO at <http://lfo.louisiana.gov/rev> under the caption entitled "Official Revenue Estimates."

THE INFORMATION CONTAINED BELOW UNDER THE CAPTIONS "**EXPENDITURE LIMITATION**," "**CONSTITUTIONAL LIMITATIONS**," "**BUDGET STABILIZATION FUND**," AND "**REVENUE STABILIZATION TRUST FUND**" REFLECT CURRENT LAW. PROVISIONS DETAILED UNDER THESE CAPTIONS INTERSECT WITH PROPOSED LEGISLATIVE CHANGES AND TAX REFORMS. PLEASE REFER TO THE CAPTION "**RECENT LEGISLATIVE DEVELOPMENTS AND PROPOSED CONSTITUTIONAL AMENDMENT**" HEREINBELOW FOR ADDITIONAL INFORMATION.

Expenditure Limitation

Article VII, Section 10(C) of the State Constitution provides for the determination by the Legislature of an expenditure limit for each fiscal year to be established during the first quarter of the calendar year for the next fiscal year. Expenditures may not exceed the expenditure limit for the prior fiscal year plus an amount equal to that limit times a positive growth factor. The growth factor is the 3-year average of State personal income growth, with specific computation procedures. Monies used in this calculation include, in addition to General Fund and statutory dedications, fees and self-generated revenues (except college tuition). Available funds in excess of the limit are required to be deposited into the Budget Stabilization Fund. The limit may be changed in any fiscal year by a favorable vote of two-thirds of the elected members of each house of the Legislature.

Constitutional Limitations

The ability of the State to increase taxes is subject to certain constitutional limitations. These limitations include the following: (1) the levy of a new tax, increase in an existing tax or repeal of an existing tax exemption requires the enactment of a law by two-thirds vote of the elected members of each house of the Legislature; (2) the State tax on property for all purposes may not exceed an annual rate of five and three-quarter mills per dollar of assessed valuation (the State does not currently levy this authorized millage); (3) the homestead exemption law provides that a tract of land not exceeding 160 acres, whether rural or urban, on which is situated an owner-occupied residence, is exempt from State, parish, and special ad valorem taxes to the extent of seven thousand five hundred dollars of the assessed valuation (improvements for residential purposes are assessed at 10% of fair market value); (4) various other property exemptions from ad valorem taxation such as public land and other public property used for a public purpose; (5) the State sales and use tax shall not apply on the sales or purchases of food for home consumption, natural gas, electricity and water for home consumption nor prescription drugs; (6) the State individual and joint income tax schedule of rates and brackets can never exceed that set forth in the Louisiana Revised Statutes as of January 1, 2003, and (7) the prohibition from the imposition of any real estate transfer tax, excluding those already in existence in the Parish of Orleans.

Budget Stabilization Fund

Article VII, Section 10.3 of the State Constitution provides for the Budget Stabilization Fund (the "*Budget Stabilization Fund*"), the proceeds of which may be utilized under certain conditions with legislative approval to either offset a deficit or supplement a revenue shortfall.

Under the State Constitution and current statutory provisions, monies required to be deposited in the Budget Stabilization Fund include: (i) all monies available for appropriation from the General Fund and dedicated funds in excess of the expenditure limit; (ii) mineral revenues received by the State in excess of \$950 million (the "*Base Amount*"); (iii) 25% of any money designated in the official forecast as non-recurring as provided in Article VII, Section 10(D)(2) of the State Constitution; and (iv) any money appropriated to the Budget

Stabilization Fund. In addition to the constitutional requirements, Act 646 of the 2014 Regular Session of the Legislature (“*Act 646*”) provides that the greater of \$25 million from any source, or twenty-five percent (25%) of any money designated in the official forecast as nonrecurring as described in (iii) above shall annually be deposited in and credited to the Budget Stabilization Fund.

The Budget Stabilization Fund balance is capped at 4% of total State revenue receipts for the previous fiscal year.

Money may be appropriated from the Budget Stabilization Fund under the following circumstances:

(1) If the official forecast of recurring money for the next fiscal year is less than the official forecast of recurring money for the current fiscal year, the difference, not to exceed one-third of the Budget Stabilization Fund shall be incorporated into the next year’s official forecast only after the consent of two-thirds of the elected members of each house of the Legislature. If the Legislature is not in session, the two-thirds requirement may be satisfied upon obtaining the written consent of two-thirds of the elected members of each house of the Legislature in a manner provided by law.

(2) If a deficit for the current fiscal year is projected due to a decrease in the official forecast, an amount equal to one-third of the Budget Stabilization Fund not to exceed the projected deficit may be appropriated after the consent of two-thirds of the elected members of each house of the Legislature. Between sessions of the Legislature the appropriation may be made only after the written consent of two-thirds of the elected members of each house of the Legislature.

(3) In no event shall the amount included in the official forecast for the next fiscal year plus the amount appropriated in the current fiscal year exceed one-third of the fund balance at the beginning of the current fiscal year.

As of December 31, 2024, there was approximately \$1.07 billion on deposit in the Budget Stabilization Fund. As described herein under caption “**GENERAL FUND FISCAL YEAR 2023-2024**,” twenty-five percent of the money designated in the official forecast as nonrecurring (\$148.8 million) is required to be deposited into the Budget Stabilization Fund for Fiscal Year 2024-2025.

Revenue Stabilization Trust Fund

In addition to the Budget Stabilization Fund described above, the 2016 Legislature created a Revenue Stabilization Trust Fund (the “*Revenue Stabilization Trust Fund*”). Later that same year, voters ratified a constitutional amendment that placed the Revenue Stabilization Trust Fund in Article VII, Section 10.15 of the State Constitution. The Revenue Stabilization Trust Fund receives deposits from (i) mineral revenues in excess of \$660 million and less than \$950 million after an extensive list of other allocations are made, and (ii) corporate, franchise and income tax revenues in excess of \$600 million.

The monies shall be permanently credited to the Revenue Stabilization Trust Fund until the balance is in excess of \$5 billion. All interest or other income from investments generated from amounts in the Revenue Stabilization Trust Fund are deposited into the General Fund.

In any fiscal year in which the balance of the Revenue Stabilization Trust Fund at the beginning of such year is in excess of \$5 billion, the Legislature may appropriate an amount not to exceed 10% of the fund balance for the following purposes:

- (i) Capital outlay projects in the comprehensive State capital budget; and
- (ii) Transportation infrastructure.

The minimum fund balance or the allowable percentage may be changed only by law enacted by two-thirds of the elected members of each house of the Legislature.

The Legislature may authorize an appropriation from the Revenue Stabilization Trust Fund at any time for any purpose as an emergency measure, but only after the consent of two-thirds of the elected members of each house of the Legislature.

As of December 31, 2024, there was approximately \$2.7 billion on deposit in the Revenue Stabilization Trust Fund. The balance takes into account a deposit of \$1.07 billion from excess corporate, franchise and income tax revenues for Fiscal Year 2023-2024, a \$153 million deposit from excess mineral revenues for Fiscal Year 2023-2024, and a transfer out of \$717 million to various funds for transportation infrastructure, criminal justice initiatives, higher education deferred maintenance and capital improvements, and water and sewer system upgrades for Fiscal Year 2024-2025.

Recent Legislative Developments and Proposed Constitutional Amendment

On November 6, 2024, the Legislature convened for its third extraordinary session of the year, pursuant to Governor's Proclamation No. 73 JML 2024, during which legislators enacted several pieces of legislation implementing significant changes to State tax policy and fiscal administration. Several of these changes became effective following the session, as summarized below.

Individual Income Tax. Significant changes to individual income tax policy were enacted through Act 11 of the 2024 Third Extraordinary Session of the Legislature ("Act 11"), which establishes a flat 3% tax rate beginning January 1, 2025, which is a reduction from the previous system of graduated tax rates and brackets where the highest tax rate was 4.25%. Act 11 concurrently increases the standard deduction and includes an increase in the exemption of certain retirement income for individuals aged 65 and older, providing relief to taxpayers across income ranges. These amounts will be indexed to the Consumer Price Index for All Urban Consumers (CPI-U) to ensure ongoing adjustments for inflation. These changes became effective on December 4, 2024, and are applicable to taxable periods beginning on and after January 1, 2025.

Corporate Taxation. Act 5 of the 2024 Third Extraordinary Session of the Legislature ("Act 5") and Act 6 of the 2024 Third Extraordinary Session of the Legislature ("Act 6") implement extensive reforms to corporate taxation. The existing graduated corporate income tax rate and bracket system is replaced by a flat rate of 5.5%, applicable from the 2025 tax year forward. This simplifies tax compliance for businesses and aligns the State more closely with competitive tax policies observed in other states. Furthermore, Act 6 repeals the corporation franchise tax on January 1, 2026 for corporation franchise tax periods beginning on or after January 1, 2026. Changes adopted during the session are expected to partially offset the revenue losses from the franchise tax repeal. Act 5 also introduces new limits on corporate tax credits, deductions, and other incentives. These changes became effective on January 1, 2025. Act 6 limits the eligibility of certain credits to be claimed against corporation franchise tax applicable to corporation franchise tax periods beginning on or after January 1, 2026.

Sales and Use Tax. Act 10 of the 2024 Third Extraordinary Session of the Legislature expands the State's sales and use tax base to include digital audio or audiovisual works, books, games, applications, periodicals, and other digital services, effective January 1, 2025. Additionally, pursuant to Act 11, the combined State sales tax rate will increase to 5% beginning January 1, 2025, before decreasing to 4.75% on January 1, 2030. These changes became effective on January 1, 2025.

Motor Vehicle Sales Tax Reallocation. Act 13 temporarily changed the allocation of the avails of the motor vehicle sales tax to be deposited into the Construction Subfund and the Megaprojects Leverage Fund of the Transportation Trust Fund. Previously, 60% of the avails were to be deposited into these funds. However, for Fiscal Years 2025-2026 and 2026-2027, only \$40 million is required to be deposited into the Megaprojects Leverage Fund for the I-10 Calcasieu River Bridge Account and I-10 Improvements Account, with the remainder directed to the State General Fund. This change is expected to increase the State General Fund by approximately \$280 million for each of those fiscal years. In Fiscal Year 2027-2028, the transfer of 60% of the avails of the motor vehicle sales tax to the Construction Subfund and the Megaprojects Leverage Fund will resume. This change became effective on December 4, 2024. See also "**GENERAL FUND FISCAL YEAR 2023-2024**" herein for additional information.

In addition to these statutory tax changes, the Legislature adopted a broader package of fiscal and structural reforms contained in Act 1 of the 2024 Third Extraordinary Session of the Legislature ("Act 1"), which proposed amendments to the State Constitution. Among other things, the proposed constitutional amendment would have: (i) authorized local governments to exempt business inventory from ad valorem taxation, with offsetting State payments; (ii) imposed a "Government Growth Limit" on recurring General Fund appropriations; (iii) increased the cap on the Budget Stabilization Fund and modified its deposit rules; (iv) repealed and renamed the Revenue Stabilization Trust Fund; (v) redirected dedicated education funds to reduce pension liabilities and provide permanent salary increases for certain educators and eligible school personnel; and (vi) imposed a two-thirds legislative vote requirement to approve new or expanded tax exemptions, credits, and rebates.

The proposed constitutional amendment was submitted to voters in a statewide election held on March 29, 2025, but did not receive voter approval. The 2025 Regular Session of the Legislature (the "2025 Regular Session") convened on April 14, 2025, to consider the Fiscal Year 2025-2026 budget and other legislative matters. The session adjourned on June 12, 2025. While some legislation was enacted during the 2025 Regular Session, such legislation does not become effective until signed by the Governor or, in certain cases, upon passage of time. Accordingly, the State is unable to determine the impact of any such legislation at this time.

BP Settlement Agreement

On April 20, 2010, the Deepwater Horizon drilling rig, located in the Gulf of America, caught fire and exploded, killing eleven workers and resulting in the blowout of the Macondo well on the ocean floor. The rig sank on April 22, 2010, and these events resulted in the unauthorized discharge of oil, gas and other pollutants from the wellhead into the Gulf of America and ultimately into and upon the waters and coastline of the State (the "*Spill*"). The well was capped July 12, 2010, but the *Spill* and its aftermath caused damage to the natural resources of the State and impacted the State's economy.

The State filed suit against BP Exploration & Production Inc. ("*BP*"), Transocean Ltd., Halliburton Energy Services and other parties in the United States District Court for the Eastern District Court of Louisiana (the "*Court*") for damages resulting from the *Spill* under the Clean Water Act and general maritime law (the "*BP Litigation*"). In addition, the U.S. Department of Justice filed suit against BP, Transocean Ltd., Halliburton Energy Services and other parties alleging criminal and civil violations of the Clean Water Act.

On July 2, 2015, an Agreement in Principle (the "*Settlement Agreement*") was reached with BP on all of the State and federal claims arising from the *Spill*. The State anticipates receiving approximately \$6.8 billion as a result of the Settlement Agreement for claims related to natural resource damages, the State's share of the Clean Water Act penalties, and the State's various economic damage claims. The Court approved the Settlement Agreement on April 4, 2016 (the "*Effective Date*").

In accordance with the Settlement Agreement, \$5 billion of the natural resource damage funds to be received by the State under the Settlement Agreement are required to be expended on coastal restoration projects associated with natural resource damage, and approximately \$787 million of the Clean Water Act penalty funds to be received by the State under the Settlement Agreement are required to be deposited in the Coastal Protection and Restoration Fund, where they will be expended for integrated coastal protection efforts. The remaining \$1 billion to be received by the State under the Settlement Agreement is for economic damages incurred by the State (the “*Economic Damages Proceeds*”).

The first \$200 million of the Economic Damages Proceeds under the Settlement Agreement was paid on July 1, 2016, and, in accordance with the provisions of La. R.S. 39:82, was accrued to Fiscal Year 2015-2016. The balance of the Economic Damages Proceeds is required to be paid in Fiscal Year 2018-2019, through and including Fiscal Year 2032-2033, in the approximate amounts of \$53.3 million annually. To date, all payments have been paid as scheduled.

Pursuant to La. R.S. 39:91, the Deepwater Horizon Economic Damages Collection Fund was established with the State Treasury. After allocation of money to the Bond Security and Redemption Fund as required by Article VII, Section 9(B) of the State Constitution, the State Treasurer is required to deposit in and credit to the Deepwater Horizon Economic Damages Collection Fund proceeds of the settlement, judgment or final disposition of the State’s economic damages claims in the BP Litigation.

Act 443 of the Regular Session of 2019 of the Legislature (“*Act 443*”) amended La. R.S. 39:91 and altered the purposes for which the Economic Damages Proceeds received from the Settlement Agreement may be used. For Fiscal Year 2019-2020, Act 443 directed that Economic Damages Proceeds received by the State be used as follows: (i) forty-five percent (45%) is required to be deposited to the Budget Stabilization Fund; (ii) forty-five percent (45%) is required to be deposited to the Medicaid Trust Fund for the Elderly; and (iii) ten percent (10%) is required to be deposited to the Health Trust Fund.

Beginning on July 1, 2020, and each fiscal year thereafter, Act 443 authorizes Economic Damages Proceeds, and any bond proceeds secured by the Economic Damages Proceeds, to be used exclusively for a specific list of State transportation projects (collectively, the “*Act 443 Projects*”). Act 443 further authorizes the State Bond Commission, on behalf of the Department of Transportation and Development, to issue bonds secured by the Economic Damages Proceeds to finance any of the Act 443 Projects. After payment of any debt service or related expenses on bonds issued pursuant to Act 443, the State Treasurer is required to transfer the remaining annual Economic Damages Proceeds to the Construction Subfund of the Transportation Trust Fund after transferring such funds through the Bond Security and Redemption Fund. The Economic Damages Proceeds may then be used to fund the Act 443 Projects.

To date, the State Bond Commission, on behalf of the Department of Transportation and Development, has issued revenue bonds in the aggregate principal amount of \$277.3 million under the Transportation Infrastructure Finance and Innovation Act, secured by a portion of the Economic Damages Proceeds. Under Act 443, these bonds are excluded from the Net State Tax Supported Debt Limitation, as described herein under the caption “**DEBT STRUCTURE OF THE STATE – Debt Limitation**”.

CONDITION OF THE GENERAL FUND IN RECENT YEARS

GAAP Basis Results

The table below sets forth in summary fashion the condition of the State's General Fund and Bond Security and Redemption Fund for Fiscal Years 2020-2021 through 2023-2024, as reflected in the Annual Comprehensive Financial Report.

**STATE OF LOUISIANA
GENERAL FUND & BOND SECURITY AND REDEMPTION FUND
FISCAL YEAR 2020-2021 THROUGH 2023-2024
GAAP BASIS
(\$ in thousands)**

	<u>Fiscal Year 2020-2021</u>	<u>Fiscal Year 2021-2022</u>	<u>Fiscal Year 2022-2023</u>	<u>Fiscal Year 2023-2024</u>
Total Revenues	\$ 36,560,003	\$ 40,702,551	\$ 45,454,570	\$ 44,412,124
Total Expenditures	<u>\$ (34,509,909)</u>	<u>\$ (38,182,961)</u>	<u>\$ (40,561,153)</u>	<u>\$ (40,292,854)</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	\$ 2,050,094	\$ 2,519,590	\$ 4,893,417	\$ 4,119,270
Total Other Financing Sources (Uses)	<u>\$ (995,058)</u>	<u>\$ (1,621,472)</u>	<u>\$ (2,440,951)</u>	<u>\$ (2,315,617)</u>
Net Change in Fund Balance	\$ 1,055,036	\$ 898,118	\$ 2,452,466	\$ 1,803,653
Fund Balances at Beginning of Year as Restated	<u>\$ 3,310,677</u>	<u>\$ 4,367,127</u>	<u>\$ 5,265,245</u>	<u>\$ 7,717,711</u>
Fund Balances at End of Year	\$ 4,365,713	\$ 5,265,245	\$ 7,717,711	\$ 9,521,364

Source: State of Louisiana Annual Comprehensive Financial Report

The table below sets forth the present four-year trend of the Unassigned General Fund, Budget Stabilization Fund and Revenue Stabilization Trust Fund balances, as reflected in the Annual Comprehensive Financial Report at <https://www.doa.la.gov/doa/osrap/annual-financial-report/>.

**STATE OF LOUISIANA
UNASSIGNED GENERAL FUND, BUDGET STABILIZATION AND
REVENUE STABILIZATION FUND BALANCES
FISCAL YEAR 2020-2021 THROUGH 2023-2024
GAAP BASIS
(\$ in thousands)**

	<u>Fiscal Year 2020-2021</u>	<u>Fiscal Year 2021-2022</u>	<u>Fiscal Year 2022-2023</u>	<u>Fiscal Year 2023-2024</u>
General Fund				
Unassigned Fund Balance	\$ -	\$ -	\$ -	\$ 358,279
Restricted for Budget Stabilization	\$ 545,930	\$ 721,221	\$ 973,912	\$ 1,057,505
Restricted for Revenue Stabilization	<u>\$ 235,940</u>	<u>\$ 1,038,092</u>	<u>\$ 2,257,902</u>	<u>\$ 3,447,234</u>
Total	<u>\$ 781,870</u>	<u>\$ 1,759,313</u>	<u>\$ 3,231,814</u>	<u>\$ 4,863,018</u>

Source: State of Louisiana Annual Comprehensive Financial Report

Budget Basis Results

The budget-basis results presented in the Fiscal Status Summary, set forth below, are unaudited and reflect significant accounting differences from the GAAP-basis results found in the Annual Comprehensive Financial Report. In addition to being budget-basis rather than GAAP, the General Fund Fiscal Status Summary includes a much smaller portion of General Fund activities than found in the GAAP-basis audited General Fund financial statements. In connection with the preparation of the Annual Comprehensive Financial Report, the Legislative Auditor reviews, but does not audit, certain figures in the Fiscal Status Summary.

The table below sets forth in summary fashion the General Fund Fiscal Status Summary for Fiscal Years 2020-2021 through 2023-2024, as received and accepted by the JLCB. JLCB meeting documents can be found at <https://jlcbl.org/>.

**STATE OF LOUISIANA
GENERAL FUND FISCAL STATUS SUMMARY
FISCAL YEAR 2020-2021 THROUGH 2023-2024
BUDGET BASIS
(\$ in millions)**

	<u>Fiscal Year</u> <u>2020-2021</u>	<u>Fiscal Year</u> <u>2021-2022</u>	<u>Fiscal Year</u> <u>2022-2023</u>	<u>Fiscal Year</u> <u>2023-2024</u>
Revenues	\$ 10,695.9	\$ 12,898.9	\$ 13,867.4	\$ 14,044.8
Undesignated General Fund Cash				
Balance From Prior Year	270.4	699.2	726.5	325.4
Fund Transfers	-	30.3	0.3	0.2
Various Carry Forwards	264.5	183.6	404.9	432.2
SUBTOTAL REVENUES	<u>\$ 11,230.8</u>	<u>\$ 13,812.1</u>	<u>\$ 14,999.1</u>	<u>\$ 14,802.6</u>
Expenditures	\$ 10,348.0	\$ 12,730.1	\$ 14,282.3	\$ 13,802.6
Various Carry Forwards	183.6	355.5	391.3	405.0
SUBTOTAL EXPENDITURES	<u>\$ 10,531.6</u>	<u>\$ 13,085.6</u>	<u>\$ 14,673.7</u>	<u>\$ 14,207.5</u>
Prior Period Adjustment				
General Fund Revenue Less				
Appropriation & Requirements	\$ 699.2	\$ 726.5	\$ 325.4	\$ 595.1

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MAJOR TAX REVENUES

The REC met on May 21, 2025, to adopt the forecast revisions summarized in the table below. Fiscal Year 2024-2025 and Fiscal Year 2025-2026 forecasts were revised upward by \$130 million and \$139 million, respectively.

The REC forecast may be viewed at the official website of the LFO at <http://lfo.louisiana.gov/rev> under the caption entitled “Official Revenue Estimates”. Monthly data regarding actual net tax receipts is available at <https://revenue.louisiana.gov/NewsAndPublications/Publications>.

MAJOR TAX REVENUES (ACTUAL AND FORECAST) ⁽¹⁾ (in millions \$)

	ACTUAL						FORECAST				Forecast Change December 2024 vs May 2025	
	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY25 Dec-24	FY 25 May-25	FY 26 Dec-24	FY 26 May-25	FY 25	FY 26
Sales Tax (General & Vehicle)	3,910	3,770	4,207	4,971	5,000	5,024	5,338	5,321	5,833	6,055	(18)	222
Individual Income	3,719	3,780	3,957	4,556	4,655	4,798	4,411	4,585	3,658	3,704	174	47
Mineral Revenue ⁽²⁾	706	545	400	698	1,109	961	633	445	618	307	(188)	(311)
Gaming ⁽³⁾	898	781	915	1,000	1,003	997	1,003	983	1,005	1,010	(21)	5
Corporate Income & Franchise	631	579	805	1,402	1,617	1,636	1,005	1,262	719	1,153	257	434
State General Fund Direct ⁽⁴⁾	10,041	9,831	10,465	11,735	12,431	12,643	12,109	12,239	12,151	12,290	130	139

⁽¹⁾ Specific tax source figures include both General Fund Direct and Dedicated Revenues

⁽²⁾ Mineral Revenue includes Severance and Royalties

⁽³⁾ Gaming Revenues includes Lottery, Land based Casino, Riverboat Gaming, Racetrack Slots, Fantasy Sports, Sports Wagering and Video Poker

⁽⁴⁾ General Fund Direct excludes Dedications

Source: Division of Administration

The additional 0.45% State sales tax, enacted in 2018 as a temporary revenue measure and originally set to expire on June 30, 2025, has been made permanent. Effective January 1, 2025, the rate increased to 0.55%, bringing the total State sales tax to 5% until December 31, 2029, when it will decrease to 4.75%. See caption “**STATE BUDGETARY PROCESS – Recent Legislative Developments and Proposed Constitutional Amendments**” for additional information.

GENERAL FUND FISCAL YEAR 2023-2024

During the 2021 Regular Session, the Legislature approved a measure dedicating a fixed percentage of motor vehicle sales tax collections from the State General Fund to the Construction Subfund of the Transportation Trust Fund. This measure resulted in reductions to the State General Fund beginning in Fiscal Year 2023-2024, which were originally estimated as follows: Fiscal Year 2023-2024 - \$159.4 million; Fiscal Year 2024-2025 - \$326.8 million; and Fiscal Year 2025-2026 - \$301.1 million. However, during the 2024 Third Extraordinary Session, the Legislature temporarily adjusted this dedication, for Fiscal Years 2025-2026 and 2026-2027 (see caption “**STATE BUDGETARY PROCESS – Recent Legislative Developments and Proposed Constitutional Amendments**” for additional information). The statute provides for a reduction in this dedication should the Official Forecast for the State General Fund fall by more than \$100 million in a future fiscal year. Resources within the Construction Subfund of the Transportation Trust Fund may only be used for direct costs associated with project delivery, construction, and maintenance of transportation and capital transit infrastructure projects of the state and local governments.

The enacted Fiscal Year 2023-2024 budget was in balance with the official forecast adopted on May 18, 2023. The forecast may be viewed at the official website of the LFO at <https://lfo.louisiana.gov/rev> under the caption entitled “Official Revenue Estimates.” General Fund appropriations totaled \$11.79 billion, with other means of financing sources totaling \$34.73 billion, bringing the total budget to \$46.52 billion. A summary of the Fiscal Year 2023-2024 enacted budget is presented below. Numbers may not add precisely due to rounding.

FISCAL YEAR 2023-2024 BUDGET AS ENACTED

(Exclusive of Double Counts, Contingencies and Surplus)

(\$ in Millions)

	Appropriated 2023-2024
State General Fund, Direct	\$ 11,789.3
State General Fund By:	
Fees and Self-Generated Revenues	3,754.6
Statutory Dedications	6,807.2
Interim Emergency Board	-
TOTAL STATE FUNDS	\$ 22,351.2
 Federal Funds	 24,164.6
GRAND TOTAL	<u>\$ 46,515.7</u>

Source: Division of Administration

Budget-Basis Status

The General Fund budget-basis results for Fiscal Year 2023-2024 were presented and accepted by the JLCB on January 16, 2025. General Fund revenues equaled \$14.8 billion and total General Fund expenditures equaled \$14.2 billion, resulting in a surplus of \$595 million; see table entitled “**STATE OF LOUISIANA GENERAL FUND FISCAL STATUS SUMMARY, FISCAL YEAR 2020-2021 THROUGH 2023-2024 BUDGET BASIS**” hereinabove. Further, the \$595 million takes into account a \$1.2 billion transfer to the Revenue Stabilization Trust Fund, as described under the caption “**STATE BUDGETARY PROCESS – Revenue Stabilization Trust Fund.**”

As described herein under the caption “**STATE BUDGETARY PROCESS - Revenue Estimating Conference,**” the State Constitution sets out requirements for the use of non-recurring funds. Specifically, at least twenty-five percent (\$148.8 million) of such funds is required to be deposited into the Budget Stabilization Fund, and at least twenty-five percent (\$148.8 million) is required to be applied to the unfunded accrued liability of all four State Retirement Systems (LASERS, LSPRS, TRSL, and LSERS) in proportion to the balance of such unfunded accrued liability of each system. The balance is to be applied toward additional deposits to the Budget Stabilization Fund or unfunded accrued liability of the Louisiana State Employees’ Retirement System and the Teachers’ Retirement System of Louisiana, retiring or defeasing bonds, funding Capital Outlay projects, or deposits into the Coastal Protection and Restoration Fund.

GAAP Basis Results

On a GAAP-basis, the net change in fund balance in the State General Fund was \$1.8 billion. See table entitled “**STATE OF LOUISIANA, GENERAL FUND & BOND SECURITY AND REDEMPTION FUND, FISCAL YEAR 2020-2021 THROUGH 2023-2024, GAAP BASIS**” under the caption “**CONDITION OF THE GENERAL FUND IN RECENT YEARS - GAAP Basis Results**” for the actual GAAP-basis results for Fiscal Year 2023-2024, as reflected in the Annual Comprehensive Financial Report, which may be viewed at <https://www.doa.la.gov/doa/osrap/annual-financial-report/>

GENERAL FUND FISCAL YEAR 2024-2025

The enacted Fiscal Year 2024-2025 budget was in balance with the official forecast adopted on May 9, 2024. The forecast may be viewed at the official website of the LFO at <http://lfo.louisiana.gov/rev> under the caption entitled “Official Revenue Estimates” and is summarized in the table above entitled “Major Tax Revenues (Actual and Forecast)” under the caption “**MAJOR TAX REVENUES.**” General Fund appropriations totaled \$12.1 billion, with other means of financing sources totaling \$32.6 billion, bringing the total budget to \$44.6 billion. A summary of the Fiscal Year 2024-2025 enacted budget is presented below. Numbers may not add precisely due to rounding.

FISCAL YEAR 2024-2025 BUDGET AS ENACTED

(Exclusive of Double Counts, Contingencies and Surplus)

(\$ in Millions)

	Appropriated 2024-2025
State General Fund, Direct	\$ 12,067.8
State General Fund By:	
Fees and Self-Generated Revenues	3,771.1
Statutory Dedications	6,803.2
Interim Emergency Board	-
TOTAL STATE FUNDS	\$ 22,642.1
Federal Funds	21,991.7
GRAND TOTAL	\$ 44,633.8

Source: Division of Administration

Governor Landry issued Executive Order No. JML-24-11 on January 24, 2024, directing all State departments to review current budgets to identify savings that can be implemented in Fiscal Year 2024-2025. Governor Landry further issued Executive Order No. JML 24-176 on December 12, 2024, which established the Fiscal Responsibility Program within the Office of the Governor. This program is focused on identifying and implementing cost-saving measures across all State departments. While some savings have been realized, other proposed savings are still under evaluation. Implementing additional savings remains a priority for Governor Landry and the Division of Administration.

GENERAL FUND FISCAL YEAR 2025-2026

The Governor's Executive Budget was released and presented to the JLCB at its February 20, 2025, meeting. Executive Budget documents can be found at <https://www.doa.la.gov/doa/opb/budget-documents/executive-budgets/fy26/>. The Fiscal Year 2025-2026 budget was adopted during the 2025 Regular Session and is now subject to line-item veto by the Governor. As required by the State Constitution and in the process as described herein under the caption **"STATE BUDGETARY PROCESS – Budget Process,"** the budget is required to be balanced.

In accordance with the State Constitution, the 2025 Regular Session was a fiscal-only session and was subject to certain limited exceptions. The only legislation that may be introduced or considered are proposed laws that enact the General Appropriation Bill; enact the comprehensive capital budget; make an appropriation; levy or authorize a new tax; increase an existing tax; levy, authorize, increase, decrease, or repeal a fee; dedicate revenue; legislate with regard to tax exemptions, exclusions, deductions, reductions, repeals, or credits; or legislate with regard to the issuance of bonds.

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CERTAIN FISCAL MATTERS

Healthcare Funding

As in most states, health care spending is a major component of the State budget, with Fiscal Year 2024-2025 appropriations to the Louisiana Department of Health (“LDH”) of \$19.9 billion out of a total State budget of \$49.6 billion as enacted. Among other health programs, LDH administers the Medicaid program.

Historically, the State provided health care services to a significant share of the State population through a charity hospital system, the ownership and operating responsibility of which has evolved over the decades. The former charity hospitals are now among the wide array of institutions serving populations covered by Medicaid, Medicare, and private insurance, as well as patients who remain uninsured after the implementation of the Medicaid expansion in 2016.

In 1997, the State transferred the ownership and operation of nine State-owned public hospitals to the Health Care Services Division of the Board of Supervisors of the Louisiana State University and Agricultural and Mechanical College (“LSU”) which, when added to the one hospital already owned and operated by the LSU Health Sciences Center in Shreveport, created a ten-hospital system owned and operated by LSU. Beginning in 2013, the State entered into “cooperative endeavor agreements” (“CEAs”) with not-for-profit, non-State entities, referred to as the “private partners,” to operate nine of the ten LSU hospitals and their affiliated clinics. LSU continues to own and operate Lallie Kemp Hospital located in Independence, Louisiana. Since 2013, modifications to the agreements have been made to contain spending, enhance data collection, integrate with the Medicaid expansion, and meet various other health policy and financial goals.

The table below lists the hospitals affected by the shift to the CEA arrangements. Arrangements with these institutions are expected to continue to evolve, as the State continues to implement its revised Medicaid payment approach, as discussed further below.

<u>Hospital Name</u>	<u>City</u>	<u>Private Partner</u>
LSU Health Sciences Center	Shreveport	Ochsner LSU Health System of North Louisiana
E.A. Conway Medical Center	Monroe	Ochsner LSU Health System of North Louisiana
Huey P. Long Medical Center ⁽¹⁾	Pineville	Christus Health Central Louisiana/Rapides Healthcare System LLC
University Medical Center	New Orleans	Louisiana Children’s Medical Center, Inc.
University Medical Center in Lafayette	Lafayette	Lafayette General Health Systems, Inc.
Leonard J. Chabert Medical Center	Houma	Southern Regional Medical Corporation Inc./Terrebonne General Medical Center
Earl K. Long Medical Center ⁽¹⁾	Baton Rouge	Our Lady of the Lake Regional Medical Center, Inc./Woman’s Hospital
W.O. Moss Regional Medical Center ⁽¹⁾	Lake Charles	Lake Charles Memorial Hospital, Inc.
Bogalusa General Medical Center	Bogalusa	Our Lady of the Angels Hospital, Inc.

⁽¹⁾ The physical plant of this hospital was closed, and services were absorbed within the operations of the partnership hospital.

Medicaid spending is the largest program within the LDH budget, with Fiscal Year 2024-2025 appropriations of \$17.4 billion. Of this total for Medicaid, \$12.9 billion is paid for with federal funds, \$2.5 billion with State general funds and \$2.3 billion financed with provider fees/taxes, inter-governmental transfers and various statutory dedications. The State implemented the expansion of Medicaid as provided for in the Patient Protection and Affordable Care Act (“ACA”) beginning in July 2016, which extended coverage to adults in the State with incomes at or below 138% of the federal poverty level. As of December 31, 2024, 545,976 adults were enrolled via the Medicaid Expansion.

In February 2019, LDH began using wage data provided by the Louisiana Workforce Commission (the “*Workforce Commission*”) to assess Medicaid eligibility on a quarterly basis. This process was implemented in response to concerns that Medicaid beneficiaries were not timely reporting changes in their personal circumstances, potentially resulting in the State making monthly capitation payments, also known as per member per month or “PMPM” payments, for individuals who are no longer eligible. While the frequency of renewals may vary by Medicaid program, many Medicaid beneficiaries are enrolled in programs where renewal occurs on an annual basis. This renewal process reviews all factors which may impact an individual’s eligibility. However, implementation of the quarterly wage check process allows LDH to assess income-based eligibility decisions on a more frequent basis. Eligibility determinations on the basis of State wage data as well as all annual renewals were suspended temporarily to comply with federal “maintenance of effort” (“MOE”) requirements that are a condition for states to receive additional federal funds in connection with COVID-19. Per the Omnibus Appropriation Act of 2023, the MOE requirement expired March 31, 2023, allowing states to resume eligibility determinations and annual renewal processes; the resumption of these activities resulted in disenrollments from the Medicaid program and reduced the number of monthly PMPM payments to the managed care entities. The formal disenrollment period ended May 31, 2024, which resulted in total Medicaid enrollment of 1,712,169 as of that date.

The Centers for Medicare & Medicaid Services (“CMS”) issued the State Medicaid Director (SMD) Letter # 21-001 (“SMD Letter”), which provides for “Additional Guidance on State Directed Payment in Medicaid Managed Care” programs. The practical effect of this letter requires Medicaid to transition its Full Medicaid Pricing (“FMP”) supplemental payment programs into “Directed Payments” as described in 42 CFR 438.6(c) or another approved payment mechanism and that those programs implicated by the letter must be transitioned by the rating period immediately falling on or after July 1, 2021.

At the time of the SMD Letter, the State had four such FMP programs in place which must be transitioned: Hospital, Physician, Ambulance and Dental. LDH worked closely with legislative, industry and federal stakeholders, in designing a new payment model for hospitals and submitted two preprints to CMS – one preprint which covered acute care hospitals and one that covered Long-Term Care, Psychiatric and Rehabilitation (“LPR”) facilities. The preprints were approved by CMS with an effective date of July 1, 2022, and resulted in an annual increase of hospital payments by over \$900 million with the federal government's share being approximately \$695 million. These preprints must be submitted to and approved by CMS annually. For Fiscal Year 2023-2024, the preprints, which were submitted on March 31, 2023, cover the period of July 1, 2023, through June 30, 2024, and included an increase of approximately \$308 million. The non-federal share of the increase in payments will be funded by additional premium taxes generated from the managed care organizations and an additional assessment levied on hospitals in the State. LDH received approval for the Fiscal Year 2023-2024 hospital and LPR pre-print on August 30, 2023. For Fiscal Year 2024-2025, the preprints, which were submitted on April 23, 2024, will cover the period of July 1, 2024, through June 30, 2025, and included an increase of approximately \$71 million. LDH received approval from CMS for the Fiscal Year 2024-2025 preprints on May 6, 2024.

For the Ambulance and Dental programs, LDH has requested a “fee schedule increase” which will increase base claims payments up to an amount not to exceed 95% of the average commercial rate. It is anticipated

that additional payments through the increased fee schedule for dental providers will approximate the dollars that have been distributed through the current supplemental programs. The Dental State Plan Amendment (“SPA ”) for the fee schedule increase was submitted to CMS on March 17, 2023, and approval was received on June 15, 2023. The Ambulance SPA for the fee schedule increase was submitted to CMS on May 10, 2023, and approval was received on March 12, 2024. The State’s match for a portion of the fee schedule increase will be paid from an increase in the emergency ambulance provider assessment.

As it relates to the physician program, LDH continues to work with the LDH contractor, Milliman, and stakeholders to design a directed payment program as a replacement to the current FMP program. The dollar size of the program is still under consideration as LDH works to solidify the financing sources available to support the new model; as the directed payments will target a percentage of average commercial rate, at most, the dollars distributed through the program will approximate what is currently administered through the FMP program. LDH has requested an extension for the Physician FMP transition until July 1, 2025, for the Fiscal Year 2025-2026 approval. LDH received CMS verbal approval of the extension request on February 5, 2024. LDH continues to work with CMS on a replacement program. The preprint for the physician program was submitted and is pending review and approval by CMS. The preprint will need to be submitted to and receive approval from, CMS on an annual basis.

Hurricane and Storm Damage Risk Reduction

In 2008, the Department of the Army, through the United States Army Corps of Engineers (the “Government”), and the Coastal Protection and Restoration Authority of Louisiana (“CPRA”), acting on behalf of the State, entered into two Project Partnership Agreements for the West Bank and Vicinity, Louisiana Project and the Lake Pontchartrain and Vicinity, Louisiana Project for the purpose of constructing a hurricane and storm damage risk reduction system in southeast Louisiana (collectively, the “Projects”) and whereby the Government agreed to pay a percentage (approximately 65%) of the total costs of the Projects and the State agreed to pay a percentage (approximately 35%) of the total costs of the Projects. In 2009, the Government and CPRA, acting on behalf of the State, entered into Deferred Payment Agreements whereby the Government and the State agreed that, upon conclusion of the construction of the Projects, the State would pay its cost share percentage, plus interest, over a thirty (30) year period. The Projects were completed in May 2022.

According to the Government, as of September 27, 2023, the State’s share of the total costs of the Projects was \$1.17 billion, and the construction period interest was \$659 million. In December 2020, federal legislation was passed that provides an option to forgive the interest if the State makes a payment of \$400 million by September 30, 2021 (which was made on June 30, 2021) and pays the remaining balance by September 30, 2023. A second payment of \$400 million was also made on June 21, 2022. In December 2022, federal legislation was passed that extends the due date for payment of the remaining balance to June 1, 2032, and provides the State the ability to pursue the crediting of certain projects, which if successful, would reduce the final payment owed to the Government. In September 2023, the State applied for and received \$110 million in crediting. Also, the Government has accepted additional work in kind credit submitted by the State, and as of April 2025, the remaining share of the total cost of the Projects is approximately \$239 million. However, there has not been a final accounting, which must occur before a final payment amount due will be provided by the Government. Also, additional crediting is under review by the Government and if approved, would further reduce the final payment owed to the Government.

In 2023, the Government and the CPRA, acting on behalf of the State, entered into a Project Partnership Agreement (the “PPA”) for the Southwest Coastal Louisiana Project (the “SCL Project”) to implement localized storm surge risk reduction features to reduce hurricane storm surge damage risks to structures in Cameron, Calcasieu, and Vermillion Parishes. The SCL Project received approximately \$296 million from the Government and the State agreed to contribute a 35% cost share. Under the terms of the congressional

authorization and the PPA, the State, represented by CPRA, as the non-federal sponsor, is required to provide 35% of the total project expenditures. Historically, the non-federal sponsor funds have come from non-recurring State surplus or recurring Gulf of America Energy Security Act (GOMESA) dollars directed to CPRA. Non-federal sponsor matching funds totaling approximately \$32 million were appropriated by the State in the Fiscal Year 2023-2024 budget and will be used to survey and elevate 20 homes that are part of the initial effort. The Government has awarded that initial contract. The State is in the process of identifying the remaining cost share necessary to move forward with the next larger phase of approximately 800-1000 of the potential 3,462 residential structures identified as preliminarily eligible in the 2016 feasibility study conducted by the Government. The Government will not proceed beyond the initial contract for 20 homes until the remaining non-federal sponsor matching funds dollars are secured.

The CPRA is responsible for implementing the State's Coastal Master Plan, a long-term strategy to reduce land loss and flood risk through coastal restoration and protection projects. One of these projects, the Mid-Barataria Sediment Diversion project, is currently under review by the CPRA, in consultation with the CPRA Board and Governor Landry, to address concerns related to permitting and downstream impacts. On April 4, 2025, the State initiated a 90-day pause to reassess this project.

Unfunded Risk Management Premiums and Liabilities

Act 448 of the 1988 Regular Session of the Legislature reenacted La. R.S. 39:1533 and created the “Self Insurance Fund” within the State Treasury. The Self Insurance Fund consists of all premiums paid by State agencies under the State’s risk management program, the investment earnings thereon, and commercial insurance premium commissions retained. The Self Insurance Fund may only be used for the payment of losses incurred by State agencies under the self-insurance program, premiums for insurance obtained through commercial carriers, administrative expenses associated with the management of the State’s risk, and the funding of legal services. The Office of Risk Management (“ORM”), pursuant to La. R.S. 39:1527 *et seq.*, is responsible for the State’s risk management program. The ORM oversees and audits the work performed by the third-party vendor and approves all settlements and payments above designated thresholds.

The current funding plan for the Self-Insurance Fund is to maintain cash reserves equivalent to anticipated annualized cash flow needs, exclusive of road hazard liability judgments. Road hazard judgments are now submitted to the Legislature for appropriation from the General Fund.

In 1995, the voters ratified a constitutional amendment authorizing the Legislature to cap liability and damage awards against the State. Act 63 of the 1996 First Extraordinary Session of the Legislature capped the total amount recoverable per person, exclusive of property damages, medical care and related benefits, and loss of earnings and support, in all suits for personal injury or wrongful death, at \$500,000.

To satisfy claims and judgments for Fiscal Year 2023-2024, the sum of \$138,034,557 was paid from the Self-Insurance Fund, of which \$102,107,804 was for claim costs, \$30,471,586 was for litigation costs, and \$5,455,167 was for other costs. As of June 30, 2024, there was a cash balance on the ORM agency balance sheet that included \$64,089,523 in the Self-Insurance Fund and \$1,260,224 in the Future Medical Care Fund. As of June 30, 2024, outstanding non-discounted reserve valuations, net of recoveries, of the open claims within the programs totaled \$1,015,049,513, allocated as \$16,297,835 current and \$998,751,678 long term. The non-discounted liability reserve valuations for the claims in litigation against State agencies being handled by the ORM are valued at \$172,807,243.

Unemployment Compensation Trust Fund

The State pays the state share of unemployment compensation claims from funds on deposit in the State's Unemployment Compensation Trust Fund, which is funded from employer contributions. Under State law, declines in the balance below certain levels lead to an increase in State payroll taxes, which could occur sooner than payroll tax increases triggered under federal law.

As of January 7, 2025, the Unemployment Compensation Trust Fund had on deposit \$1.008 billion to pay unemployment claims.

HURRICANES AFFECTING THE STATE

The State has been affected by a number of recent hurricanes. Hurricane Francine made landfall in Southeast Louisiana on September 11, 2024, as a Category 2 storm with maximum sustained winds of approximately 100 miles per hour. Hurricane Francine caused damage in a number of parishes in Southeast Louisiana, including among others, Ascension, Assumption, Lafourche, Livingston, St. Chales, St. John the Baptist, St. Mary and Terrebonne parishes. Hurricane Ida made landfall in Southeast Louisiana on August 29, 2021, as a strong Category 4 storm with sustained winds at landfall of 150 miles per hour. Hurricane Ida caused significant damage from Terrebonne and Lafourche parishes across much of Southeast Louisiana. Early projections indicate damages from Hurricane Ida to insured residential and commercial properties exceed \$20 billion and ranks as the second costliest hurricane in the State's history. In addition to Hurricane Ida, the State was impacted by a number of events in 2020. On August 24, 2020, Hurricane Marco struck Southeast Louisiana as a tropical storm with sustained winds of up to 40 miles per hour, causing heavy rains throughout this region. On August 27, 2020, Hurricane Laura struck Southwest Louisiana as a Category 4 storm with sustained winds of up to 150 miles per hour and a storm surge of 10-12 feet. The result of Hurricane Laura was substantial wind damage to infrastructure, including commercial and residential property. Damage from Hurricane Laura to insured residential and commercial properties is estimated to be between \$8 billion to \$12 billion, adding to the challenges that the State, local governments, and residents were already experiencing due to the COVID-19 pandemic. On October 9, 2020, Hurricane Delta made landfall in Southwest Louisiana as a Category 2 storm with sustained winds of up to 100 miles per hour, causing heavy rain of up to 15 inches in some areas already affected by Hurricane Laura. Hurricane Zeta made landfall in Southeast Louisiana on October 28, 2020, as a Category 2 storm with wind speeds of up to 110 miles per hour.

The FEMA Public Assistance ("PA") program reimburses state and local governments and other eligible applicants for costs associated with presidentially declared disasters. The standard cost share for the program is 75% federal and 25% non-federal. For events that reach certain dollar thresholds, based on a per capita indicator, the cost share can be adjusted to 90% federal and 10% non-federal. For both Hurricane Ida and Hurricane Laura, President Biden approved 100% federal cost share for 45 days of emergency work during the event and increased the federal cost share to 90% for PA costs outside of the 100% time period. For Hurricanes Laura, Delta, Zeta and Ida, the State's estimated cost share for emergency costs equals \$78 million, of which 90% has been appropriated, and the State's estimated cost share for repairs and rebuilding equals \$40 million, of which \$3.2 million has been appropriated. It is expected that the remaining repairs and rebuilding construction costs will be funded by the State over the next four to five years. For Hurricane Francine, the standard cost share is applicable, and amounts expended to date by the State for emergency costs equals \$32 million. The State and affected parishes are still evaluating the damage and do not have an estimated cost share for repairs and rebuilding.

At the present time, it is not possible to quantify with any degree of certainty the long-term impacts of the past hurricanes on the State and its economy. Similarly, it is difficult to predict any offsetting economic benefits which may result from rebuilding activities and/or additional resources from federal, State and other local sources.

GENERAL FUND CASH FLOW ANALYSIS

The State manages periods of actual or projected temporary cash flow shortfalls in the General Fund by prioritizing payments from the General Fund and borrowing from available balances in other legally authorized funds (“*Inter-fund Borrowing*”). Inter-fund Borrowing addresses temporary mismatches between the timing of receipts and disbursements in the General Fund within a fiscal year. The Department of the Treasury monitors the State’s cash position on a daily basis and reports the balances to the Division of Administration weekly and, pursuant to La. R.S. 49:308.4, to the REC at each scheduled meeting. Pursuant to La. R.S. 49:308.4, Inter-fund Borrowing must be repaid no later than August 15 of the calendar year following the end of the fiscal year in which the borrowing is made.

Fiscal Year 2023-2024 ended with a General Fund cash position of \$1.9 billion. As of November 30, 2023, which was the weakest month end during Fiscal Year 2023-2024, the General Fund was in a borrowed position of (\$458) million. Available borrowable funds as of November 30, 2023, were \$8.7 billion. During Fiscal Year 2023-2024, available borrowable funds ranged from a low of \$6.7 billion in July 2023, to a high of \$8.8 billion in September 2023.

As of December 31, 2024, the General Fund cash position was (\$418 million). Available borrowable funds as of December 31, 2024, were \$9.5 billion.

ENVIRONMENTAL RISKS

Located on the Gulf of America, the State is prone to the effects of extreme weather events and natural disasters, including floods, droughts, high winds, tornadoes, wildfires, ice storms and hurricanes, which could result in negative economic impacts on the State (see “**HURRICANES AFFECTING THE STATE**” above). In the last ten years, Hurricanes Marco, Laura, Delta, Zeta, Ida and Francine, along with less intense tropical storms and tropical depressions, have also impacted parts of the Louisiana coast. In addition, Hurricanes Katrina and Rita caused significant damage to various parts of the State in 2005. The State cannot predict if or when any such future tropical event will occur or the effect any such tropical event may have on its operations, population, demographics, economic or financial stability. In 2023, the State also faced severe wildfires, including five major fires between August and October that burned over 62,000 acres, prompting burn bans and emergency declarations. At the present time, it is not possible to quantify with any certainty the long-term impact of the recent extreme weather events and natural disasters on the State and its economy, any offsetting economic benefit which may result from recovery and rebuilding activities or the amount of additional resources from federal, State and other local sources which will be required.

The Governor’s Office of Homeland Security and Emergency Preparedness (“*GOHSEP*”), created by statute in 1993, is responsible for working with State, local, tribal and federal authorities to prepare for, prevent, respond to, recover from and mitigate against future emergencies and disasters. GOHSEP is responsible for disaster response and recovery and works closely with FEMA during all disaster declarations in the State.

Coastal protection and erosion pose significant challenges to the coastal areas of the State. The Coastal Protection and Restoration Authority (“*CPRA*”) was created in December 2005 to focus on development and implementation efforts to achieve comprehensive coastal protection for the State. The 2023 Coastal Master Plan which targets restoration work and reduction of flood risk is expected to cost over \$50 billion. CPRA is continually evaluating the feasibility of projects identified in the Master Plan to determine which

can be accomplished with available funding sources. For more information please visit: <https://coastal.la.gov/>.

The State has also experienced oil spills, including the Spill discussed under caption “**STATE BUDGETARY PROCESS – BP Settlement Agreement**” above.

Louisiana Resilience Task Force

Act 315 of the 2023 Regular Session of the Legislature ("Act 315") established a Chief Resilience Officer within the Office of the Governor to coordinate policy response to environmental hazards. The Chief Resilience Officer serves on a newly created Interagency Resilience Coordination Team along with other department heads within the executive branch to advance a cross-agency, holistic approach to the challenges and opportunities associated with the impacts of environmental hazards in the State's coastal areas. Act 315 also created the Louisiana Resilience Task Force, which will meet quarterly to make strategic recommendations to the Chief Resilience Officer. This cross-government approach to the coordination of resiliency efforts aims to improve planning and strategy within State government and enhance the State's ability to adapt to wide-ranging environmental challenges.

Saltwater Intrusion

As a result of the unprecedented extreme heat and drought throughout the Mississippi River Valley, the rate of freshwater flowing down the Mississippi River reached a historic low near the end of 2023. These circumstances created favorable conditions, allowing for an intrusion of saltwater from the Gulf of America to make its way upriver. On September 27, 2023, President Biden approved the State's request for an Emergency Declaration, which provided for federal reimbursement of 75% of eligible protective measures incurred by the Parishes of Orleans, Jefferson, St. Bernard, and Plaquemines to address the possible impact on drinking water in those parishes and avoid permanent damages. On October 12, 2023, the United States Army Corps of Engineers (“USACE”) completed work to increase the height of a previously constructed underwater sill in order to delay the progress of the intrusion. USACE constructed a similar underwater sill in 1988, 1999, 2012 and 2022. Additional protective measures implemented by the affected parishes have included tie-in connections, water barges, reverse osmosis purification units, and temporary pipelines. Beginning in August 2024, the Mississippi River’s volume of water has once again fallen to a level that allows saltwater to intrude upstream. On September 16, 2024, USACE began construction of an underwater sill. While saltwater intrusion does not currently pose any threats to water systems in the Parishes of Orleans, Jefferson and St. Bernard at this time, Plaquemines Parish has installed reverse osmosis systems in multiple locations in an effort to combat any potential impacts. In addition to those permanent and temporary protective measures, the State and affected parishes continue to have ongoing discussions with federal and local partners regarding other long-term solutions to reduce the likelihood of future impacts.

Sulphur Mine Salt Dome

Governor Landry has issued an Executive Order renewing the previously extended state of emergency declared by Governor Edwards on September 20, 2023, in connection with the Sulphur Mine Salt Dome in Calcasieu Parish as a result of seismic activity, lost cavern integrity, increased hydrocarbon bubbling and accelerated subsidence, that collectively indicate a potential for structural failure. The Department of Energy and Natural Resources Office of Conservation is actively monitoring the two caverns of concern, which are owned by a private landowner and operated by Westlake US 2 LLC (the "Operator"). In addition to constant seismic monitoring, mitigation efforts are currently underway, including the construction of a containment levee around the area and the injection of brine into the caverns. The State believes the

Operator is responsible for costs related to the mitigation, monitoring and other related costs. More information can be found at <https://www.dnr.louisiana.gov/index.cfm/page/1661>.

Insurance Issues

Between January 2021 and January 2024, the Louisiana Department of Insurance (“*LDI*”) declared twelve (12) residential insurers, collectively writing approximately 214,000 policies, insolvent. During the same period, twenty (20) other residential insurers voluntarily notified LDI of their withdrawal from the State and began or finalized that withdrawal. Since January 8, 2024, no additional residential insurers have been declared insolvent or withdrawn from the State.

The Louisiana Insurance Guaranty Association (“*LIGA*”) pays outstanding insurance claims for insolvent insurers, including refunds of unearned premium. Established in 1970, LIGA provides a safety net to property owners by ensuring payment of covered claims under certain insurance policies, thereby avoiding excessive payment delays and financial loss to claimants or policyholders due to the insolvency of an insurer. In 2022, LIGA borrowed \$600 million to cover those costs through the issuance of \$142 million of Louisiana Local Government Environmental Facilities and Community Development Authority Insurance Assessment Revenue Notes (Louisiana Insurance Guaranty Association Project), Series 2022A and the issuance of \$458 million of Louisiana Local Government Environmental Facilities and Community Development Authority Insurance Assessment Revenue Bonds (Louisiana Insurance Guaranty Association Project), Series 2022B. LIGA secures that indebtedness through assessments on all licensed and authorized insurance companies in the State who write the types of policies covered by the LIGA Act. During 2022, more than 531 companies with distinct NAIC numbers wrote assessable policies in the State. For the first 1% of Net Direct Written Premiums assessed, those insurers are entitled to a tax credit against their insurance premium tax due to the State or they can increase rates to the policyholder to pay for such assessments. During the 2023 Regular Session, LIGA received authority to assess an additional 1% annually, which assessed insurers may only recoup through rate increases. Through January 8, 2025, LIGA has not exercised the additional 1% increase. The State also has the Louisiana Citizens Property Insurance Corporation (“*Citizens*”), the insurer of residential and commercial property for applicants who are in good faith entitled, but are unable, to procure insurance through the voluntary market. As of April 30, 2025, Citizens had 118,438 policies. At year-end 2024, Citizens had 117,491 policies, representing approximately 2.57% of the property insurance market. In order to cap the State’s financial exposure in the event of a major weather-related event, the Legislature enacted an insurance bill during the 2024 Regular Session that limits the maximum amount of damages that can be sought against Citizens by policy holders such that Citizens shall not be liable for damages in excess of a policy’s limit.

Additionally, future catastrophic events and damages resulting from winds, tides, and storm surges that result in increased claims may affect the solvency of insurers that operate in the State or, in some cases, cause insurers to not provide insurance coverage in the State. Since some insurers may also have significant operations in other states, a potential future catastrophic event in those states could affect those insurer’s operations in Louisiana (see “**HURRICANES AFFECTING THE STATE**” above).

The LDI has continued the Louisiana Fortify Homes Program (“*LFHP*”) that the Legislature created during the 2022 Regular Session, with a one (1) sunset provision. The LFHP provides grants to homeowners to cover up to \$10,000 of the cost of installing Insurance Institute for Business & Home Safety (IBHS) Certified fortified roofs to better withstand hurricane-force winds. Homeowners are responsible for paying the evaluator costs for pre and post construction inspection (approximately \$500-\$750) as well as any costs for the roof above the \$10,000 grant. Additionally, Louisiana homes with LFHP roofs receive a discount from their insurance companies on the wind and hail portion of their policy. Resilient homes with fortified roofs also benefit from cost savings by reduced insurance claims and deductibles, reduced time away from their home and community, as well as reduced federal grant dollars required. The LDI began administering

and accepting applications for the LFHP in four (4) rounds of applicants from October to November 2023. For these initial four rounds, the Legislature allocated \$30 million to the LFHP with \$15 million set aside for Citizens policyholders and \$15 million for all other homeowners across the State. The 2024 Regular Session repealed the one (1) year sunset provision and enacted the Fiscal Year 2024-2025 budget that included an additional \$15 million allocation to the LFHP. The Legislature also approved an additional carryforward of \$14 million of unspent LFHP dollars from the previous year. Due to high demands for fortified home roofs, LDI is exploring options for permanent funding of the LFHP.

During the 2022 Regular Session, the Legislature enacted the Insure Louisiana Incentive Program. One of the primary purposes of the incentive program was to bring property insurance companies to Louisiana who did not currently write homeowner policies in the State. The incentive program provided grants to property insurers intended to entice increased participation in the voluntary property insurance market with the reciprocal benefit of reducing the policy count of Citizens. The JLCB approved two rounds of funding for the incentive program. Of the nine companies that signed the cooperative endeavor agreements over the two rounds, eight remain. The JLCB approved round one on March 17, 2023, by awarding \$41.85 million to eight companies. The JLCB approved round two on August 11, 2023, by awarding \$13.15 million to six companies (of the original eight). As of September 30, 2024, participating insurers have written 128,764 policies, totaling \$402,730,813 in premiums. The cooperative endeavor agreements required the incentive companies to provide 100% matching funds and agree to write at least twice the combined amount in new premium in each of the next five years to earn the full grant. Participating companies currently self-report their performance on a quarterly basis. The LDI will verify these reports during the sampling and exam phase set to begin at the beginning of 2nd Quarter 2025 calendar year.

During the 2024 Regular Session, the Legislature enacted several insurance related bills to align the State's laws with the practices of neighboring states, increase competition and stabilize the property insurance market in the State. These bills address the required time frames for the payment of claims, permit the cancellation of homeowners insurance policies under certain circumstances and the implementation of the File and Use review process relative to property and casualty manual rates and rules. With File and Use, an insurance company can file its manual rates and rules with the Commissioner of Insurance and use those rates immediately, unless the Commissioner disapproves those rates and rules within thirty (30) days of submission. During the 2025 Regular Session, legislation was passed addressing insurance reform, but such legislation is not effective until the Governor signs the legislative act, or in some cases until the passage of time occurs. Accordingly, the State is unable to determine the impact of any such legislation at this time. The LDI is expected to continue advancing legislation to provide additional insurance reform measures in upcoming sessions.

CYBERSECURITY

The State is home to critical supply routes and energy production resources that are attractive targets for man-made disruptions, including cyber-attacks. Like many other governmental entities, the State relies heavily on technology platforms to conduct and maintain its operations. Recognizing the vital nature of a reliable and resilient technological platform, the State created its Office of Technology Services (“OTS”) in 2014, vesting the new entity with developing and protecting the networks for its executive branch agencies. Since its origination, OTS endeavored to provide cyber assurance for its service recipients in a rapidly developing threat environment.

Evolving with the modern technological and legal concerns, OTS focuses on cyber readiness, threat monitoring, data privacy, information sharing, and nurturing partnerships with other State entities to create a whole-of-government approach to information security and cyber resiliency. As a result, the State boasts a large and diverse group of cybersecurity professionals whose job is to prevent and effectively respond to

real and threatened cyber incidents through early altering mechanisms, community relations, and a commitment to continued learning.

In 2017, by Executive Order of Governor Jon Bel Edwards, the Louisiana Cybersecurity Commission (the “*Cybersecurity Commission*”) was created to address the growing cyber threat to networks, personal privacy, and critical infrastructure. The Cybersecurity Commission is a statewide partnership composed of key stakeholders, subject matter experts, and cybersecurity professionals from Louisiana’s public sector, private industry, academia, and law enforcement. The Cybersecurity Commission serves as an advisory body to the State’s senior administration officials in matters related to cybersecurity. The mission of the Louisiana Cybersecurity Commission is to advance the State’s cyber ecosystem and position Louisiana as a national leader and preferred location for cyber business, education, and research. In 2023, Act 245 formally created the Louisiana Cybersecurity Commission, to ensure its continued value and success.

In 2024, by Executive Order of Governor Jeff Landry, the State’s Emergency Support Function 17 (“ESF-17”), a multi-agency partnership dedicated to supporting State and local government entities with cyber incidents, was consolidated under Emergency Support Function – 2 Cybersecurity (“ESF-2C”) to bring the State’s cybersecurity efforts in line with federal and State statutory, regulatory and advisory requirements. Led by the Governor’s Office of Homeland Security and Emergency Preparedness (“*GOHSEP*”), Louisiana Military Department (“*LMD*”), and Louisiana State Police (“*LSP*”), and supported by OTS, ESF-2C works closely in collaboration with federal partners, including the Department of Homeland Security (DHS) - Cybersecurity and Infrastructure Security Agency (“*CISA*”), the Federal Bureau of Investigation (FBI), and the United States Secret Service (USSS). Since its 2019 inception, ESF-2C led the response and recovery of 73 separate cyber emergencies, impacting 170 State, local and private critical infrastructure entities. As of Fiscal Year 2024, in an effort to address the emerging threats and to support ESF-2C’s growing mission, the State Legislature has appropriated \$53 million annually to the State’s incident response and proactive cybersecurity efforts.

In 2020, the Legislature established the Louisiana Cyber Investigators Alliance (the “*Alliance*”) in an effort to collaborate cyber law enforcement investigative efforts between State and federal agencies. The Alliance consists of a coordinated and unified body of information technology and security professionals from branches of federal, State, and local government, including members of ESF-2C to conduct cyber threat response activities, provide and share cyber threat intelligence, and standardize evidence preservation procedures to increase all participants’ ability to prevent cyber-attacks.

To preserve the State’s prior investment in its Security Incident and Event Management platform and the Security Orchestration and Automated Response tool awarded by Johns Hopkins Universities, GOHSEP, OTS, LSP, and LMD developed the Louisiana Cyber Assurance Plan (“*LCAP*”) to offer proactive monitoring services and assessments for public entities within the State. LCAP operations use ESF-2C’s past deployment of technology solutions as its foundation, while maximizing their useful life against the increased frequency of cyber-attacks.

As one of only six states to be awarded a grant under the State and Local Cybersecurity Grant Program (SLCGP), authorized by the Infrastructure Investment and Jobs Act, Public Law 117-58, LCAP implementation began with approximately \$3.6 million of federal grant funding in Fiscal Year 2022-2023. With these funds, the State’s plan for LCAP began with expanding current threat detection and isolation capabilities through the deployment of key software assets to local government entities to holistically improve Louisiana’s preventative cybersecurity posture.

ESF-2C mitigates an average of 15 cyber incidents each year in Louisiana. With the cost and frequency of the cyber incidents steadily climbing across market sectors each year, and individual incidents ranging from \$5 million to \$100 million in damages and remediation costs (nationally), investing in preventative

measures is estimated to dramatically reduce the need for unplanned, curative costs following successful cyber-attacks on public and critical infrastructure.

Further, some State agencies have additional cybersecurity policies and procedures designed to protect technology platforms and additional safeguards intended to support, maintain and prioritize critical infrastructure, risk management, monitoring and event detection, training, and incident response.

In June 2023, the State's Office of Motor Vehicles was among over 2,000 organizations affected by a global cyberattack exploiting a vulnerability in the MOVEit file transfer program. The breach exposed about six million records containing personal information such as names, addresses, dates of birth, Social Security numbers, driver's license or ID numbers, and vehicle registration details. There is no evidence that the stolen data has been used, or shared, and the attackers have not contacted the State. In response, the State created a website (<https://nextsteps.la.gov>) for guidance and offered 12 months of free LifeLock credit monitoring. Ongoing security enhancements are in place, with continued collaboration with CISA and other partners.

PENSION SYSTEMS

The State is a participating employer in seven defined benefit plans, each administered by separate public employee retirement systems. These systems include:

Louisiana State Employees' Retirement System ("LASERS")

Louisiana State Police Retirement System ("LSPRS")

Teachers' Retirement System of Louisiana ("TRSL")

Louisiana School Employees' Retirement System ("LSERS")

District Attorneys' Retirement System ("DARS")

Louisiana Clerks of Court Retirement and Relief Fund ("LCCRRF")

Registrar of Voter Employees' Retirement System ("ROVERS")

Article X, Section 29(F) of the State Constitution assigns the authority to establish and amend benefit provisions of all plans administered by these public employee retirement systems to the Legislature.

Retirement systems established in State law are designated as either "State" or "Statewide" pension systems. State systems are distinguished from Statewide systems mainly by the presence of a constitutional guarantee to pay pension benefits to members in the event the system is not able. No such guarantee exists for members of the Statewide systems. LASERS, LSPRS, TRSL, and LSERS are designated as State systems while DARS, LCCRRF, and ROVERS are Statewide systems. Information related to each system may be found at each system's website as follows:

State Systems:

LASERS	http://www.lasersonline.org/site104.php
LSPRS	https://lsprs.org/
TRSL	https://www.trsl.org/main/home
LSERS	https://www.lsers.net

Statewide Systems:

DARS	https://ladars.org/
LCCRRF	http://www.laclerksofcourt.org/retirement
ROVERS	http://www.larovers.com/

History and Background

A constitutional amendment concerning the actuarial soundness of the State and Statewide retirement systems was approved by voters on November 27, 1987, followed by additional constitutional amendments in 2007 and 2011.

The 1987 constitutional amendment mandated that the actuarial soundness of the systems be attained and maintained and required the Legislature to establish a method of actuarial valuation for this purpose. Commencing with Fiscal Year 1989-1990, the Legislature was required to determine all required contributions to be made by members and employers and to appropriate annually the amounts required for the sound actuarial maintenance of the systems, including the elimination of the unfunded accrued liability (“UAL”), defined as the excess of the actuarial accrued liability over the valuation assets, sometimes referred to as “unfunded past service liability”. The amendment also defined an “Initial” Unfunded Accrued Liability (“IUAL”) of the State and Statewide systems as the liability existing as of June 30, 1989, and required that it be eliminated in 40 years, or by 2029. The 1987 amendment also prohibits the Legislature and the board of trustees of each system from taking any action that would cause the UAL to increase, with certain exceptions, and provides that the accrued benefits of members of the systems cannot be diminished or impaired. Various features of the systems (e.g. amortizations, COLAs, non-recurring payments), have subsequently been revised by Acts of the Legislature and by new constitutional amendments as described below.

Because GASB pension accounting standards have changed over the decades since the 1987 constitutional requirements were established, the State pension plans produce two separate actuarial reports: (1) a GASB 68 Report for Financial Reporting and (2) a Funding Report, which is consistent with the requirements of the 1987 constitutional amendment and subsequent statutory changes. As in the 1987 constitutional amendment, the UAL is determined as the total actuarial accrued liability less the plan’s valuation assets. Statutes provide for the amortization of changes in the UAL.

In 2007, voters approved another constitutional amendment, Article X Section 29(E)(5)(b), with three key provisions: (1) a new constitutional requirement that the Legislature provide for the retirement of employees of the State and its political subdivisions, including teachers and other employees of the public education system (in contrast, the obligation for the payments and benefits of the Statewide systems is borne by the local employers who participate in them and is not constitutionally guaranteed); (2) a requirement that the State or the governing authority of a State retirement system identify a funding source that will fully liquidate the actuarial cost of any new benefit for members of the State systems within ten years; and (3) a two-thirds vote of the Legislature for any new benefit is required.

An additional constitutional amendment was passed in 2011. Article VII, Section 10(D)(2)(b)(ii) appropriates a percentage of nonrecurring revenue and requires the funds to be used to reduce the IUAL. The amendment required a minimum of 5% of any money designated as nonrecurring revenue in the official revenue forecast to be applied to the payment of the balance of the UAL for FY 2013-2014 and 2014-2015, with the requirement rising to 10% beginning in FY 2015-2016 and thereafter. On October 14, 2023, the electorate approved another constitutional amendment (Act 107 of the 2023 Regular Session). Beginning in Fiscal Year 2024-2025 and thereafter, a minimum of 25% of any money designated as nonrecurring revenue in the official forecast is required to be appropriated to the UAL of all four State Retirement

Systems (LASERS, LSPRS, TRSL, and LSERS). Each State Retirement System is required to apply the appropriation to the UAL in the order created, from oldest to newest. The amendment further provides that if the legislature has not provided for an alternative distribution formula, the appropriation to each system shall be in proportion to each system's total UAL bears to the total of all four State Retirement Systems UAL.

Act 399 of the 2014 Regular Session and Act 95 of the 2016 Regular Session established limits on the amount and frequency of retiree benefit increases that create additional system liabilities. The system's ability to grant cost-of-living adjustments ("COLAs") in accordance with these acts are dependent on the system's funding status, investment performance, and the excess investment earnings held in experience accounts to fund the COLA. These acts also imposed limitations on the amount of excess investment earnings that could be deposited into the experience account.

Act 184 of the 2023 Regular Session provides for the phasing out and termination of experience accounts and the diversion of excess investment earnings to the experience accounts and creates new accounts for the accumulation of funds to pay permanent post-retirement benefit increases ("PBI") or COLAs. Funding of the new PBI/COLA funding accounts is provided by an additional component of employer contributions, referred to as the "AFC rate." The AFC rate cannot exceed 2.5% and the Act further limits the AFC rate that can be charged to employers when the combined projected employer contribution rate plus the AFC rate exceeds certain thresholds.

Since 2009, COLAs have been very limited, which has contributed to the funding progress of the systems.

Plan Descriptions

The seven plans in which the State is a participating employer provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as provided for in the applicable statutes for each of the plans. The age and years of creditable service (service) for an employee to receive retirement benefits and the retirement benefit percent vary by plan, hire date, employer, and job classification, which is summarized below in the plan descriptions. All plans described below have separately issued financial reports which provide more details on eligibility and benefits.

LASERS administers a cost-sharing defined benefit pension plan to provide retirement, disability, and survivor benefits to eligible State employees and their beneficiaries as defined in La. R.S. 11:411-413. Eligibility and the computation of retirement benefits for regular members and hazardous duty plan members are provided for in La. R.S. 11:444 and La. R.S. 11:611-615, respectively. The age and years of service required in order for a member to receive retirement benefits are established by La. R.S. 11:441 and vary depending on the member's hire date, employer and job classification. Regular members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of service, at age 55 upon completing 25 years of service, or at age 60 upon completing 10 years of service depending on their plan. Those members hired between July 1, 2006, and June 30, 2015, may retire at age 60 upon completing five years of service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of service. Hazardous duty members hired on or after January 1, 2011, are eligible to retire with 12 years of service at age 55 or with 25 years of service at any age. Additionally, all members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5%, 3.33%, and 3.5% of average compensation for regular members, hazardous duty plan members, and judges, respectively, multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

LSPRS administers a single employer defined benefit pension plan to provide retirement, disability, and survivor benefits to commissioned law enforcement officers of the Office of State Police and the Superintendent of State Police and their beneficiaries as defined in La. R.S. 11:1305. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1307 and 11:1345.4-1345.5. Members hired prior to January 1, 2011, may either retire with full benefits at any age upon completing 25 years of service or at age 50 upon completing 10 years of service. Those members hired on or after January 1, 2011, may retire at any age upon completing 25 years of service, at age 55 upon completing 12 years of service, or at any age with 20 years of service with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to January 1, 2011).

TRSL is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a “teacher” as provided for in La. R.S. 11:701. Eligibility for retirement benefits is provided for in La. R.S. 11:735, 11:761, 11:768 and 11:802. Calculation of retirement benefits are provided for in La. R.S. 11:735, 11:768 and 11:803. Regular members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service; (2) at the age of 55 with at least 25 years of service; or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service and an actuarially reduced benefit if a member is hired on or after July 1, 1999. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of service. Average compensation is defined in La. R.S. 11:701 as the member’s average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to January 1, 2011).

LSERS is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in La. R.S. 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1141 and 11:1144. Members hired prior to July 1, 2010, may either retire with full benefits at any age upon completing 30 years of service, at age 55 upon completing 25 years of service, or at age 60 upon completing ten years of service. Those members hired between July 1, 2010, and June 30, 2015, may retire at age 60 upon completing five years of service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of service. The basic annual retirement benefit for members is equal to 2.5% to 3.33% of average compensation multiplied by the number of years of service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

DARS administers a cost-sharing defined benefit pension plan. Pursuant to La. R.S. 11:1582, the plan provides retirement, disability, and survivor benefits to district attorneys, assistant district attorneys, and employees of the Louisiana District Attorneys’ Association. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1581 and 11:1632-1633. Members who joined before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. Members who joined after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service, are age 55 and have 24 years of service, or have 30 years of service regardless of age. The basic annual retirement benefit for members is equal to 3% to 3.5%

of average compensation multiplied by the number of years of service. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Final average compensation is 36 months plus the number of whole months elapsed since January 1, 2013, not to exceed 60 months.

LCCRRF administers a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to clerks of court, their deputies and other employees as defined in La. R.S. 11:1503. Eligibility for retirement benefits and the computation of retirement benefits are provided for in La. R.S. 11:1521. Members hired prior to January 1, 2011, may retire with full benefits at age 55 upon completing twelve years of service. Those members hired on or after January 1, 2011, may retire at age 60 upon completing twelve years of service. The basic annual retirement benefit for members is equal to 3% to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months of employment if hired prior to July 1, 2006).

ROVERS is the administrator of a cost-sharing defined benefit pension plan. In accordance with La. R.S. 11:2032, the plan provides regular retirement, disability, and survivor benefits to registrars of voters in each parish, their deputies, their permanent employees, and eligible beneficiaries. Eligibility for retirement benefits are provided for in La. R.S. 11:2071 and 11:2165.3-4 and the computation of retirement benefits are provided for in La. R.S. 11:2072 and 11:2165.5. Members hired prior to January 1, 2013, are eligible for normal retirement after they have 20 years of service and is age 55 or has 10 years of service and is age 60. Any member with 30 years of service regardless of age may retire. Members hired on or after January 1, 2013, are eligible for normal retirement after they have attained 30 years of service and is age 55; has attained 20 years of service and is age 60; or has attained 10 years of service and is age 62. The basic annual retirement benefit for members is equal to 3% to 3.33% of average compensation multiplied by the number of years of service. Average compensation is defined as the member's average annual earned compensation for the highest 60 consecutive months of employment (36 consecutive months if hired prior to July 1, 2006).

A brief summary of eligibility and benefits of the plans are provided in the following table:

	LASERS	LSERS	TRSL	LSPRS	DARS	LCCRRF	ROVERS
Final average salary	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹	Highest 36 or 60 months ¹
Years of service required and/or age eligible for benefits	30 years any age		30 years any age ¹⁰	25 years any age	30 years any age	12 years age 55	30 years any age ^{8,9}
	25 years age 55		25 years age 55	20 years any age ⁷	24 years age 55 ⁵	12 years age 60 ²	20 years age 55 ^{8,9}
	20 years any age ⁷		20 years any age ^{7,14}	12 years age 55 ²	10 years age 60 ⁵		10 years age 60 ^{8,9}
	5-10 years age 60 ^{3,11}		5 years age 60 ¹¹	10 years age 50 ¹³	10 years age 62 ¹²		
	25 years any age ¹⁵				18 years age 60 ¹²		
	12 years age 55 ¹⁵				23 years age 55 ¹²		
Benefit percent per years of service	2.5% to 3.5% ⁶	2.5% to 3.33% ⁴	2% to 3% ⁴	3.33%	3% to 3.5% ⁵	3% to 3.33% ⁴	3% to 3.33% ⁴

¹ Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service

² For those hired after 12/31/10

³ Five to ten years of creditable service at age 60 depending upon the plan or when hired

⁴ Benefit percent varies depending upon the plan and when hired

⁵ Joined plan on or after 7/1/90

⁶ Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%

⁷ With actuarial reduced benefits

⁸ For those hired prior to 1/1/2013

⁹ Hired after 12/31/12; age eligibility is 30 years at 55, 20 years at 60, & 10 yrs. at age 62

¹⁰ For school food service workers hired on or before 6/30/15, eligibility is 30 yrs. at age 55

¹¹ Hired on or after 7/1/15, age eligibility is 5 years at age 62

¹² For those hired before 7/1/90

¹³ For those hired on or before 12/31/10

¹⁴ Hired prior to 7/1/99 and retired on or after 7/1/97, age eligible is 20 years at age 65

¹⁵ Members in LASERS Hazardous Duty Plan

Funding Policy/Contributions

Article X, Section 29(E)(2)(a) of the State Constitution assigns to the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. TRSL, DARS, LCCRRF and ROVERS received revenue sharing and a percentage of ad valorem taxes collected by parishes and LASERS received payments through various legislative acts. The revenue sharing, ad valorem taxes, and legislative acts income for these systems is included in the amount from non-employer contributing entities.

Contributions of employee, employer, and non-employer contributing entities effective for the year ended June 30, 2024, for the defined benefit pension plans in which the primary government is a participating employer were as follows (in thousands):

<u>Defined Benefit Pension Plan</u>	<u>Active Member Contribution Percentage</u>	<u>Employer Contribution Percentage</u>	<u>Amount from Non-employer Contributing Entities*</u>	<u>Amount of State Contributions</u>
LASERS	7.5% - 13.0%	41.9%	\$30,122	\$788,804
LSPRS	8.5% - 9.5%	70.2%	--	\$64,416
TRSL	5.0% - 9.1%	23.3% – 24.1%	\$51,912	\$58,531
LSERS	7.5% - 8.0%	27.6%	--	\$284
DARS	8.0%	12.0%	\$11,880	\$3,947
LCCRRF	8.25%	23.0%	\$13,868	\$1,963
ROVERS	7.0%	18.0%	\$3,741	\$2,022

* This represents the collective amount of non-employer contributions by the pension system.

Net Pension Liability

The State's (primary government) net pension liability at June 30, 2024, is composed of the entire net pension liability relating to the State's single-employer plan (LSPRS) and the State's proportionate share of the net pension liability relating to each of the cost-sharing plans in which the State is a participating employer (LASERS, TRSL, LSERS, DARS, LCCRRF, and ROVERS). The State's net pension liability for each plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The State's proportionate share of the net pension liability for each of the cost-sharing plans in which it participates was based on the State's required contributions in proportion to total required contributions for all employers. Since each plan operates in a trust and each plans' fiduciary net position is more than the amount of benefit payments expected to be paid within one year, there is no current portion of net pension liability recorded in the State's financial statements. The General Fund has typically been the fund used to liquidate the net pension liability for governmental activities.

As of June 30, 2023, the most recent measurement date, the State's proportion for each cost-sharing plan and the change in proportion from the prior measurement date were as follows (in thousands):

	Cost-Sharing Plans						Single Employer Plan	<u>Total</u>
	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRE</u>	<u>ROVERS</u>	<u>LSPRS</u>	
Portion (amount) of net pension liability	\$5,523,623	\$380,592	\$1,721	\$41,290	\$17,090	\$14,424	\$389,427	\$6,367,807
Proportion (%) of net pension liability	82.52%	4.21%	0.28%	48.15%	7.94%	75.90%	100%	
Increase/(Decrease) from prior measurement date	0.76%	0.16%	0.06%	0.92%	0.02%	0.95%	--	

Since the measurement date of the net pension liability was June 30, 2023, the net pension liability is based upon fiduciary net position for each of the plans as of June 30, 2023. Detailed information about each pension plan's assets, deferred outflows, deferred inflows, and fiduciary net position that was used in the measurement of the State's net pension liability is available in the separately issued plan financial reports for Fiscal Year 2022-2023. These reports are available on the Louisiana Legislative Auditor's website at www.la.la.gov.

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The following table presents the changes in net pension liability for each of the plans in which the State is a participating employer (in thousands):

	Cost-Sharing Plans						Single Employer Plan	Total
	<u>LASERS</u>	<u>TRSL</u>	<u>LSERS</u>	<u>DARS</u>	<u>LCCRRF</u>	<u>ROVERS</u>	<u>LSPRS</u>	
Plan collective total pension liability:								
Service cost	\$225,224	\$518,573	\$47,063	\$13,634	\$17,225	\$3,130	\$20,940	\$845,789
Interest	1,466,661	2,457,319	187,111	35,773	60,683	8,672	93,945	4,310,164
Changes in benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	289,790	394,043	24,320	(1,595)	(1,137)	74	22,986	728,481
Changes in assumptions	-	(368,442)	(45,723)	-	-	-	8,424	(405,741)
Benefit payments and refunds/transfers of member contributions	(1,587,475)	(2,435,735)	(208,734)	(29,340)	(53,922)	(8,548)	(85,231)	(4,408,985)
Other changes in total pension liability	-	-	910	768	312	-	2,928	4,918
Net change in plan total pension liability	394,200	565,758	4,947	19,240	23,161	3,328	63,992	1,074,626
Plan total pension liability – beginning	20,798,322	34,593,362	2,806,773	586,876	935,610	139,835	1,371,246	61,232,024
Plan total pension liability – ending (a)	21,192,522	35,159,120	2,811,720	606,116	958,771	143,163	1,435,238	62,306,650
Plan collective fiduciary net position:								
Contributions - employer	913,549	1,333,121	96,194	6,351	23,654	2,662	51,374	2,426,905
Contributions - employee	179,418	406,654	26,932	5,447	8,020	962	6,658	634,091
Contributions - nonemployer contributing entities	-	47,527	-	10,777	12,655	3,526	-	74,485
Contributions – legislative acts	376,543	109,683	-	-	-	-	-	486,226
Net investment income	1,380,564	1,626,238	153,418	48,017	60,494	10,773	73,434	3,352,938
Benefit payments and refunds/transfers of member contributions	(1,587,475)	(2,435,735)	(208,734)	(29,340)	(53,922)	(8,548)	(85,231)	(4,408,985)
Administrative expense	(17,722)	(18,187)	(3,762)	(719)	(801)	(526)	(1,229)	(42,946)
Other changes in fiduciary net position	15,537	4,347	910	673	312	(6)	2,928	24,701
Net change in plan fiduciary net position	1,260,414	1,073,648	64,958	41,206	50,412	8,843	47,934	2,547,415
Plan fiduciary net position – beginning	13,238,580	25,046,085	2,141,776	479,155	693,234	115,315	997,877	42,712,022
Plan fiduciary net position – ending (b)	14,498,994	26,119,733	2,206,734	520,361	743,646	124,158	1,045,811	45,259,437
Plan collective net pension liability (a-b)	6,693,528	9,039,387	604,986	85,755	215,125	19,005	389,427	17,047,213
State's proportionate share of the plan's collective net pension liability	82.52%	4.21%	0.28%	48.15%	7.94%	75.90%	100%	
State's (primary government) net pension liability	\$5,523,263	\$380,592	\$1,721	\$41,290	\$17,090	\$14,424	\$389,427	\$6,367,807

Actuarial Assumptions. The following table provides information concerning actuarial assumptions used in the determination of the total pension liability for each of the defined benefit plans in which the primary government is a participating employer:

	LASERS	LSPRS	TRSL	LSERS	DARS	LCCRRF	ROVERS
Date of the experience study on which significant assumptions are based	7/1/13-6/30/18	7/1/12-6/30/17	7/1/17-6/30/22	7/1/17-6/30/22	7/1/14-6/30/19	7/1/14 - 6/30/19	7/1/14 - 6/30/19
Projected salary increases	2.6% - 13.8%	5.50%	2.4% - 4.9%	3.75%	5.0%	5.0% - 6.2%	5.25%
Inflation rate	2.30%	2.50%	2.40%	2.50%	2.20%	2.40%	2.30%
Projected benefit changes Including COLA	None	None	None	None	None	None	None
Long-term rate of return incorporated into discount rate	7.25%	6.95%	7.25%	6.80%	6.10%	6.55%	6.25%

Source of Mortality Assumptions

LASERS General active members – RP - 2014 Blue Collar Employee Tables, adjusted by 0.978 for males and 1.144 for females with adjustments for expected future mortality improvement using the MP – 2018 Generational Improvement Scale.

General retiree/inactive members – RP - 2014 Blue Collar Annuitant Table for males, adjusted by 1.280, and RP - 2014 White Collar Annuitant Table for females, adjusted by 1.417, with adjustments for expected future mortality improvements of regular retirees using the MP – 2018 Generational Improvement Scale.

Disabled retirees – RP - 2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for mortality improvement.

LSPRS Active members – Pub-2010 Safety Below Median Employee Tables, set at 100% for males and 105% for females, each with the full generational MP - 2021 scale.

Annuitants and beneficiaries - 110% of the RP - 2014 Total Dataset Healthy Annuitant Table for males and 105% of the RP - 2014 Total Dataset Healthy Annuitant Table for females, each with the full generational MP - 2017 scale for mortality improvement.

Disabled members – 100% of Pub-2010 Safety Disabled Retiree Sex Distinct Tables for males and 105% for females, with the full generational MP – 2021 scales.

TRSL Active members – Pub2010T-Below Median Employee tables, adjusted by 0.965 for males and by 0.942 for females.

Non-disabled retiree/inactive members – Pub2010T-Below Median Retiree tables, adjusted by 1.173 for males and by 1.258 for females.

Disability retiree mortality – Pub2010T- Disability tables, adjusted by 1.143 for males and by 1.092 for females.

These base tables are adjusted from 2010 to 2019 using the MP - 2021 generational improvement table, with continued future mortality improvement projected using the MP - 2021 generational mortality improvement tables.

LSERS Active members – Pub-2010 General Below Median Employee Table, adjusted by 125% for males and 135% for females, each with the full generational MP - 2021 scale.

Annuitants and beneficiaries – Pub-2010 General Below Median Healthy Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP - 2021 scale.

Disabled members – Pub-2010 Non-Safety Disabled Retiree Table, adjusted by 125% for males and 135% for females, each with the full generational MP - 2021 scale.

DARS Active members, annuitants and beneficiaries – Pub - 2010 Public Retirement Plans Mortality Table multiplied by 115% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

Disabled retirees – Pub - 2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 115% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

LCCRRF Active members, annuitants, and beneficiaries – Pub - 2010 Public Retirement Plans Mortality Table multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

Disabled retirees – Pub - 2010 Public Retirement Plans Mortality Table for Non-Safety Disabled Retirees multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

ROVERS Active members, annuitants, and beneficiaries – RP - 2010 Public Retirement Plans Mortality Table multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 scale.

Disabled retirees – RP - 2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 120% for males and for females, each with full generational projection for mortality improvement using the MP - 2019 improvement scale.

OTHER POST-EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits as described under the caption “**PENSION SYSTEMS**” herein, the State is required to provide certain medical, prescription drug and life insurance benefits to retirees, disabled retirees and their eligible beneficiaries through premium subsidies. The Office of Group Benefits (“*OGB*”) administers the State’s post-retirement benefit plan, a defined-benefit, multiple-employer post-employment benefit plan. Current employees who participate in an OGB health plan while active are eligible for plan benefits if they are enrolled in the OGB health plan immediately before the date of retirement and retire under one of the State retirement systems (LASERS, LSPRS, TRSL, or LSERS) or they retire from a participating employer that meets the qualifications in the Louisiana Administrative Code 32:3.303.

La. R.S. 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the State Legislature. La. R.S. 42:802, 42:821, and 42:851 provide the authority under which the obligations of the plan members, employers, and other contributing entities that contribute to the plan are established or may be amended.

OGB offers retirees four self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage also have access to three fully insured Medicare Advantage plans. Retired employees who have both Medicare Part A and Part B are also eligible to participate in Individual Medicare Market Exchange products through an exchange broker and receive \$200/\$300 health reimbursement arrangement (HRA) credits monthly.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>OGB Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retirees and spouses of retirees subject to maximum values. Employers pay approximately 50% of monthly premiums for individual retirees. The retiree is responsible for 100% of the premium for dependents.

The plan does not issue a stand-alone financial report.

Funding Policy

The plan is funded on a “pay-as-you-go basis” in that the cost of benefits are generally funded as they are paid and not on an actuarial basis. The State maintains an operating cushion in the OGB Fund and manages the program consistent with the broader State budget objective of maintaining a balance between recurring revenues and expenditures. Budget, cash-management, and accounting processes for OGB identify and segregate OGB funds. Cash balances in certain OGB accounts are not permitted to be used for daily General Fund operating cash liquidity needs. On a GAAP-basis, the General Fund Balance committed for OGB totaled \$487 million as of June 30, 2024, up from \$92.1 million as of June 30, 2015, reflecting policies that have contained benefit costs and closely managed premium levels. The OGB Policy and Planning Board, in consultation with its actuary, projects premium rates annually and closely monitors actual costs.

Total OPEB Liability

The total OPEB liability of the OGB plan of \$7,110,717 (in thousands) was measured as of July 1, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.40 percent
Salary increases	Consistent with the pension valuation assumptions disclosed in Pension Systems section.
Discount rate	Current valuation: 4.13 percent based on the June 30, 2023, S&P 20-year municipal bond index rate
Healthcare cost trend rates	Post-Medicare (reflecting inflation Reduction Act): 6.50 percent increasing to 13.0 percent for 2025, decreasing to 12.0 percent in 2026, decreasing to 4.35 percent from 2027 through 2033, increasing to 4.43 percent in 2034, to an ultimate rate of 4.5 percent in 2035 and later years.

Pre-Medicare: 7.00 percent for 2024 and 2025, thereafter decreasing 0.25 percent per year, to an ultimate rate of 4.5 percent in 2035 and later years

The initial trend rate was developed using the National Health Care Trend Survey; the ultimate trend is developed on a building block approach which considers Consumer Price Index, Gross Domestic Product, and technology growth.

The retiree contribution trend: Same as medical and drug trend.

Healthcare claims cost	Per capita costs for the self-insured plans were based on medical and prescription drug claims for retired participants for the period January 1, 2022, through December 31, 2023. The claims experience was trended to the valuation date.
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Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2024 premiums adjusted to the valuation date using the trend assumptions above.

Per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the HRA plan, which provides a flat monthly subsidy.

Actuarial cost method	Entry Age Normal, level percentage of pay
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Estimated remaining service lives	4.5
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Basis for assumptions	The actuarial assumptions used by the four state pension plans covering the same participants were used for the retirement, termination, disability, and salary scale assumptions.
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Age related Morbidity	Per capita costs are adjusted to reflect expected cost differences due to age and gender.
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Mortality	Mortality assumptions are consistent with the pension plans' assumptions disclosed in the " PENSION SYSTEMS " section above.
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Participation Rate	<u>Medical:</u> Active employees who do not have current medical coverage are assumed not to participate in the medical plan for retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below. This assumption is based on a review of OPEB experience from July 1, 2017, through June 30, 2020. To be eligible for coverage, the participant's coverage must be in effect immediately prior to retirement. Active participants who have been covered continuously under the OGB medical plan since before January 1, 2002, are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.
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<u>Years of Service</u>	<u>Participation %</u>
<10	33%
10-14	60%
15-19	80%
20+	

Life Insurance: Future retirees are assumed to participate in the life insurance benefit at a 36% rate. This assumption is based on a review of OPEB experience from July 1, 2017, through June 30, 2020. Future retirees are assumed to elect a total of \$45,000 in basic life insurance and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Changes in the Total OPEB Liability of OGB Benefit Plan:

	<u>Primary Government</u>	<u>Component Units</u>
Balance at 6/30/23	\$ 4,994,739	\$ 1,716,782
Changes for the year:		
Service cost	\$ 102,433	\$ 35,028
Interest	204,127	69,798
Differences between expected and actual experience	31,395	10,394
Changes in assumptions and other inputs	188,406	64,414
Changes in proportion	7,089	(6,480)
Differences in employers' proportionate share of collective benefit payments and employers' actual benefit payments	(2,012)	2,493
Benefit payments	(227,063)	(80,826)
Net Changes	<u>304,375</u>	<u>94,821</u>
Balance at 6/30/24	<u>\$ 5,299,114</u>	<u>\$ 1,811,603</u>

The Louisiana State University System, a discretely presented component unit of the State, offers its eligible employees, retirees, and their beneficiaries the opportunity to participate in one of two OPEB plans affording healthcare and life insurance. One offering is the State of Louisiana Post-Retirement Benefit Plan (the "*OGB Plan*"), which has already been discussed in this section and the other is the LSU Health Plan (the "*LSU Plan*"). The LSU Plan is also offered to members of the State House of Representatives, the Senate, the Louisiana Legislative Auditors Office, the Legislative Fiscal Office, and the Legislative Budgetary Control Council, which are primary government entities. Therefore, some participants of the LSU Plan are currently employees of the primary government. Since participation in the LSU Plan by primary government employees is limited and not material, the LSU Plan is identified as a single employer defined benefit healthcare plan. There are no assets accumulated in a trust that meet the criteria of paragraph 4 of GASB Statement 75.

Benefit provisions are established or may be amended under the authority of La. R.S. 42:851.

Employer contributions are based on LSU Plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who begin participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

<u>Health Plan Participation</u>	<u>Employer Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

The LSU Plan does not issue a stand-alone financial report.

Funding Policy

The LSU Plan is financed on a pay-as-you-go basis under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is partially offset by retiree contributions.

Total OPEB Liability

The total OPEB liability of the LSU Plan of \$849,972 (in thousands) was measured as of June 30, 2024, and was determined by an actuarial valuation. as of January 1, 2024.

Actuarial assumptions and other inputs. The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Actuarial cost method	Entry Age Normal, level percentage of pay
Payroll growth rate	Payroll growth was based on salary increase assumptions using the 2023 TRSL and LASERS actuarial valuations. (see “ PENSION SYSTEMS ” above).
Discount rate	Current valuation: 3.93 percent based on Bond Buyer 20-Bond GO Index
Healthcare cost trend rates	<p>Post-Medicare: 6.75 percent for 2024, thereafter decreasing 0.30 percent per year through 2033 and 0.10 percent thereafter to an ultimate rate of 4.0 percent</p> <p>Pre-Medicare: 7.75 percent for 2024, thereafter decreasing 0.30 percent per year through 2033 and 0.10 percent thereafter to an ultimate rate of 4.0 percent</p>
Mortality rates	<p>Non-Disabled Lives: Pub-2010, headcount weighted mortality table with generational scale MP-2021 applied specifically for teachers, general and safety personnel.</p> <p>Disabled Lives: Pub-2010 headcount weighted mortality table with generational scale MP-2021 applied specifically for teachers, general and safety personnel.</p>

Per capita health claim costs LSU Health Plan has two Options, 1 and 3. Expected retiree claim costs were developed using 24 months of historical claim experience through January 2024 for Option 1. For Option 3, per capita claim costs are developed by applying age adjustments to the current fully insured premiums. A blend of both active and retiree data was utilized, and age adjusted.

Participation rate The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan based off of the years of service each employee has worked.

Sample rates for each year of service is provided below:

Years of Service	Participation Rate
<10	30%
10-14	45%
15-19	65%
20+	80%

Estimated remaining service lives 6.3

Termination and retirement tables Based on the withdrawal assumptions and retirement age probabilities from the 2023 TRSL and LASERS actuarial valuations.

Changes in the Total OPEB Liability of the LSU Plan (in thousands):

	Primary Government	Component Units
Balance at 6/30/23	\$ 61,458	\$ 774,627
Changes for the year:		
Service cost	\$ 2,141	\$ 20,291
Interest	2,301	28,737
Changes between expected & actual experience	(4,528)	(57,075)
Changes in assumptions or other inputs	3,299	41,577
Benefit payments	(1,563)	(21,293)
Net changes	<u>1,650</u>	<u>12,237</u>
Balance at 6/30/24	<u>\$ 63,108</u>	<u>\$ 786,864</u>

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CERTAIN INFORMATION REGARDING THE LOUISIANA ECONOMY

Louisiana is a resource-rich state and a major center of petrochemical manufacturing, domestic petroleum and refined petroleum products, natural gas, forest products, and seafood. The production of liquefied natural gas (“LNG”) has been a key driver of State infrastructure investment in recent years.

Louisiana covers an area of 52,378 square miles, of which 9,174 are water (US Census Bureau, 2019). The State’s location makes it the natural gateway into the heavily industrialized Mississippi River Valley and the logical point of export for much of the U.S. The State’s resources and key location have made it a region favored by international investors.

The State’s population (4.574 million) is predominantly urban, with over 84 percent of its citizens living in nine metropolitan statistical areas (“MSAs”). These include New Orleans, a major port and tourist destination with its famous food, music, culture, cruise ships and convention facilities; Baton Rouge, the State capital and a center of education, government, petrochemical production and petroleum refining; Shreveport, the commercial, distribution and manufacturing center of northwest Louisiana; Lafayette, the oil and gas center and unofficial capital of Acadiana and Cajun and Creole culture; Alexandria, central Louisiana’s wood products, agriculture and distribution center; Monroe, the manufacturing, distribution and commercial center of northeastern Louisiana; Lake Charles, the major petrochemical, agricultural and port city in southwestern Louisiana; Houma/Thibodaux, the oil exploration, seafood and agricultural center of the southern coastal region of the State; and Hammond, a regional medical and distribution center and home to Southeastern Louisiana University.

The State’s climate, unique natural landscapes, culture, and people attract tourists from all parts of the world, making tourism one of the State’s largest industries. Louisiana’s tourist attractions include outstanding hunting and freshwater and deep-water fishing; thousands of miles of rivers and bayous and hundreds of lakes for boating, water skiing, sailing, camping, hiking and canoeing and various historical sites and attractions. The State also attracts major sporting events including the annual Sugar Bowl, a college football postseason game, and has hosted the National Football League’s championship game, the Super Bowl, ten times and the college football national championship game five times.

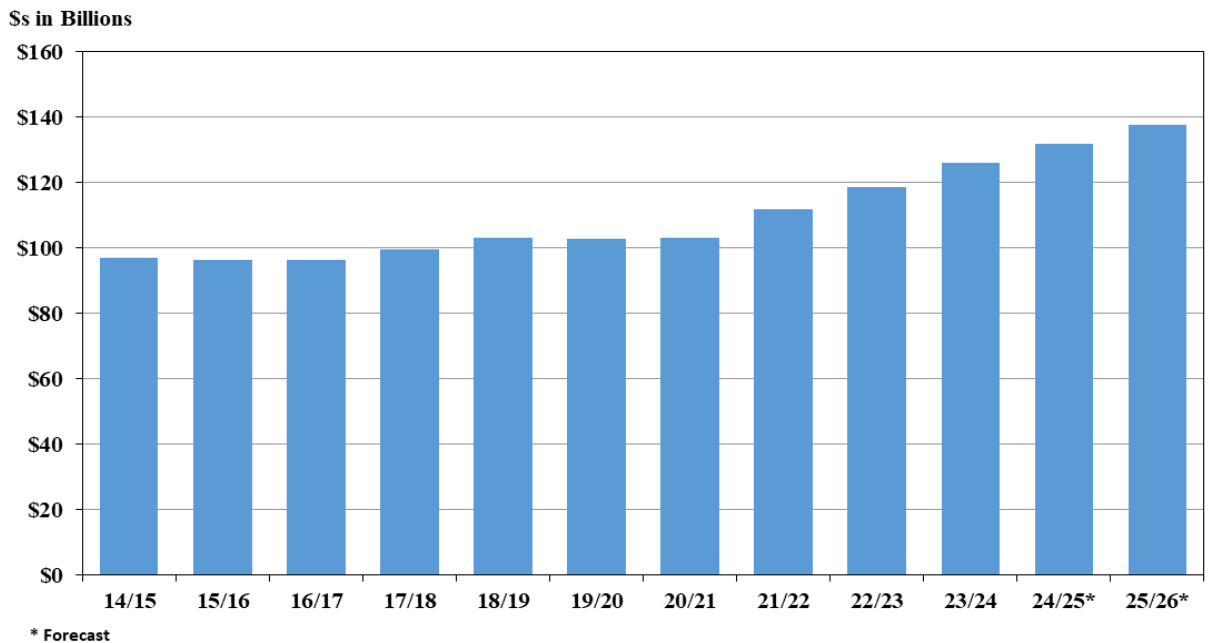
Louisiana Economic Trends

During Fiscal Year 2018-2019, employment reached a number of close to two million people employed; a recovery from a decline that began in Fiscal Year 2015-2016 and continued through Fiscal Year 2016-2017. This recovery was abruptly interrupted by the COVID-19 pandemic’s emergence in March 2020, when widespread unemployment developed in the State, and across the globe. State employment fell suddenly, from a February 2020 peak of 1.99 million jobs to an April 2020 low of 1.7 million jobs, a loss of almost 284,000 jobs, or 14.2%. The most affected sectors were Leisure & Hospitality and Arts & Entertainment, sectors that depend on tourism (which dropped almost to zero) and have many independent businesses that had to reduce activity or shut down. As of November 2024, State employment stood at 1.971 million, 98.9% of the pre-COVID-19 peak and a recovery of 264,500 jobs from the April 2020 low.

State nominal wages had been steadily increasing in the fiscal years before 2019-2020, reaching an annual increase of 4.4% in Fiscal Year 2014-2015. However, as the job market entered a recession, nominal wages fell by 0.6% in Fiscal Year 2015-2016 and there were no changes in Fiscal Year 2016-2017. The next two years saw a recovery, with nominal wages growing by 3.2% in Fiscal Year 2017-2018 and 3.7% in Fiscal Year 2018-2019. The COVID-19 pandemic brought this growth to a halt, and nominal wages fell by 0.2% in Fiscal Year 2019-2020. As the global economy recovered, in Fiscal Year 2021-2022 nominal wages increased by 8.4%, 6.1% in Fiscal Year 2022-2023 and 6.2% in Fiscal Year 2023-2024. Moody’s Analytics

projects an increase in nominal wages for the Fiscal Years 2024-2025 and 2025-2026 of 4.6% in each of the years.

TOTAL LOUISIANA WAGES



Source: Moody's Analytics

The composition of employment by goods-producing and service producing sectors is presented in the table below. As of Fiscal Year 2023-2024, approximately 85% of the State's 1.6 million jobs were in service producing sectors and the balance in goods-producing sectors.

Louisiana Employment (Thousands, SA)

Louisiana Employment (Thousands, SA)

	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025 Forecast	FY 2025-2026 Forecast
Statewide Nonfarm Employment	1,905	1,949	1,957	1,972	1,986
Goods Producing	292	299	303	307	311
Natural Resources & Mining	30	32	31	31	31
Construction	130	130	134	140	142
Total Manufacturing	131	138	139	137	137
Service Providing	1,613	1,650	1,654	1,665	1,676
Trade, Transportation & Utilities	372	375	372	373	374
Information	22	21	18	18	18
Financial Activities	92	97	96	95	96
Professional & Business Services	219	221	219	219	222
Education & Health Services	320	330	336	346	350
Leisure & Hospitality	207	219	220	215	216
Other Services (except Public Administration)	70	73	74	76	76
Total Government (all levels)	311	314	318	323	324

Source: Bureau of Labor Statistic, Moody's Analytics

The State has long had a significant manufacturing base. The largest manufacturing sectors, in terms of employment, are chemicals, fabricated metal, food, machinery, petroleum refining, transportation equipment, wood products, paper, and nonmetallic mineral products. Total manufacturing employment in Fiscal Year 2023-2024 was 139,000. Moody’s Analytics projects Government employment in Fiscal Year 2024-2025 to total 323,000, including State, local and federal. Much of the federal employment is at military facilities, including the Army’s Fort Johnson (formerly known as Fort Polk) in Leesville, Barksdale Air Force Base in Bossier City, and the Naval Air Station in Belle Chasse.

The State supports one of the most diverse aquaculture and fishery industries in the nation. The harvest of marine freshwater and marine fish and shellfish in Louisiana continues to be economically significant.

Trends in Employment Distribution by Sector

The table below presents the distribution of employment in the State by major sectors in 2011 and 2023. Over time, the State economy has become less concentrated in the oil and gas sector. Employment in oil and gas extraction is captured in the “mining” sector in the table below and declined from 2.9% of employment in 2011 to 1.6% in 2023. The manufacturing sector below includes chemical manufacturing, which employs a similar number of workers as the mining category.

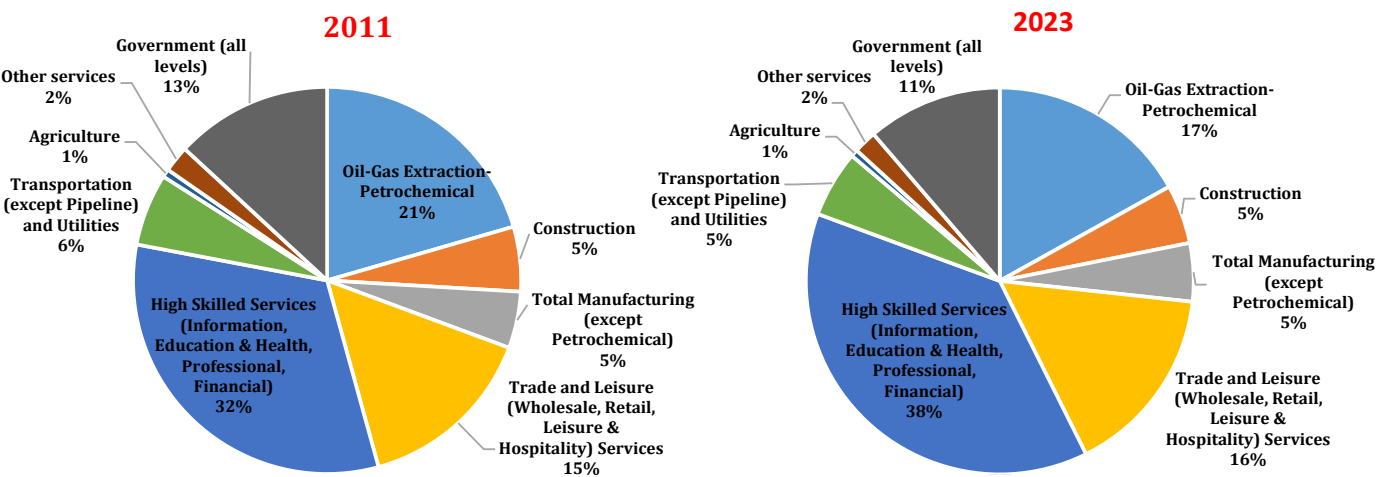
	% of State Employment	
Supersector	2011	2023
Mining	2.9%	1.6%
Construction	6.4%	6.7%
Manufacturing	7.3%	7.1%
Wholesale Trade	3.8%	3.5%
Retail Trade	11.6%	11.2%
Transportation & Utilities	4.3%	4.4%
Information	1.2%	1.0%
Financial Activities	4.8%	5.0%
Professional & Business Services	10.2%	11.2%
Education & Health Services	14.5%	17.1%
Leisure & Hospitality Industries	10.5%	11.3%
Other Services	3.5%	3.8%
Government at all Levels	18.9%	16.2%

Source: Bureau of Labor Statistics

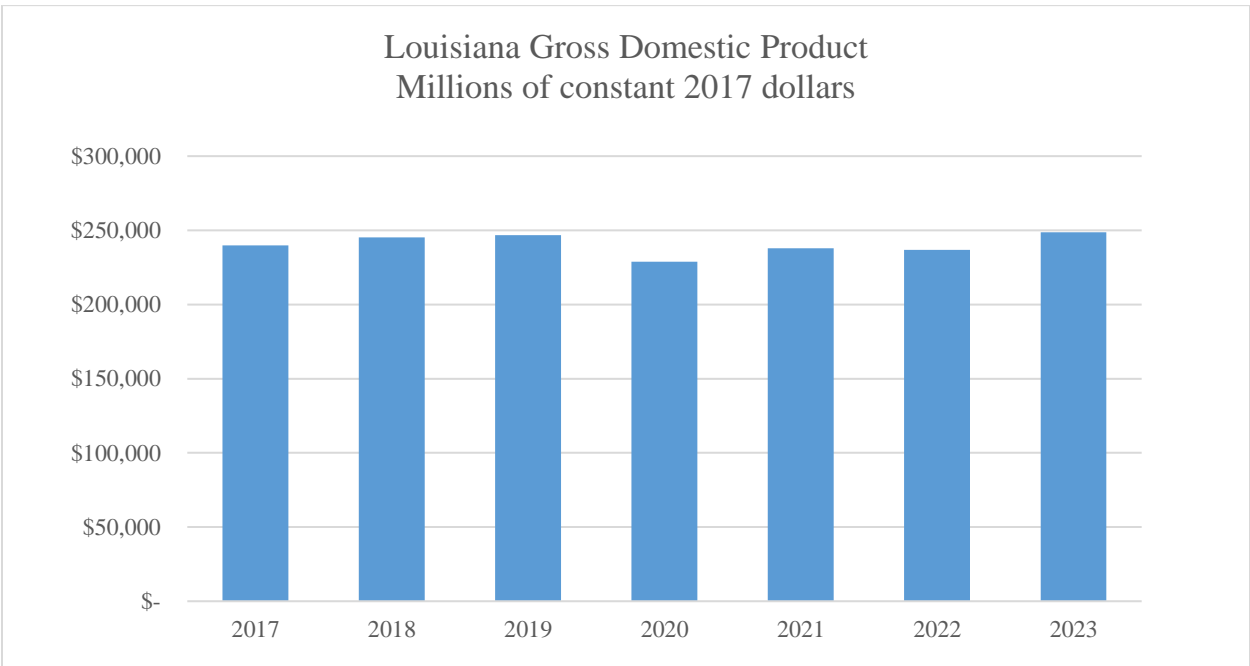
Mining sector employment has been declining for some time. At the same time, the petrochemical sector, which benefits from low natural gas prices, has taken on a greater role in the State economy.

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Louisiana Gross Domestic Product Composition

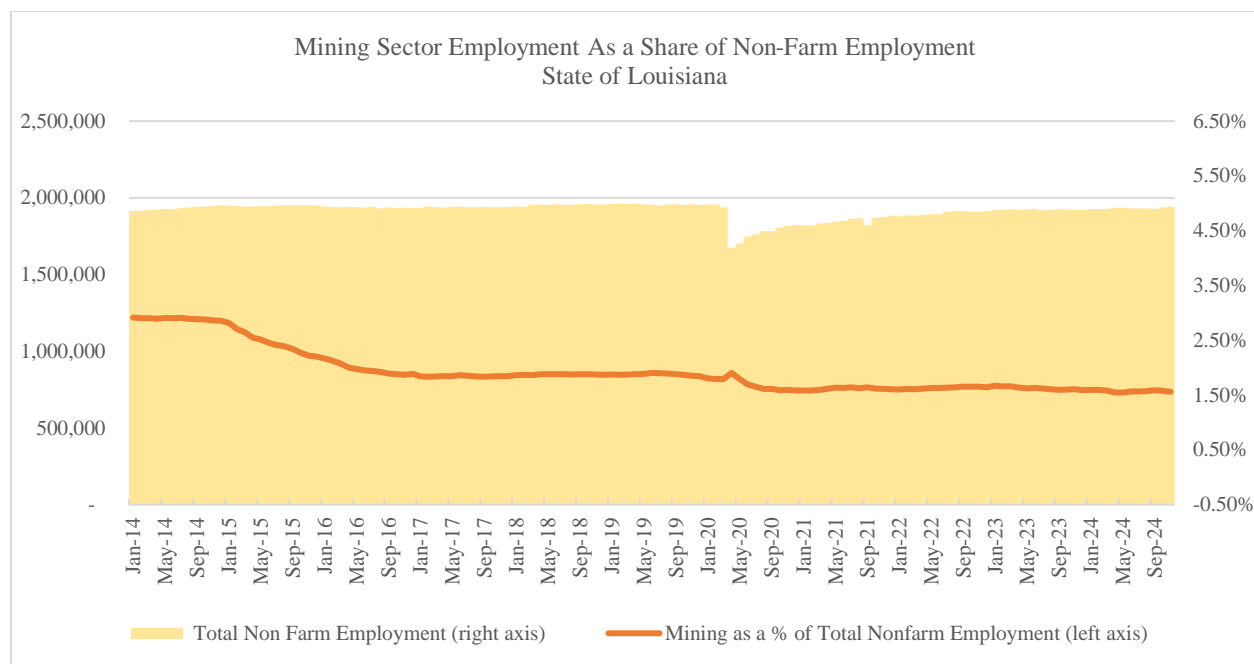


Source: Bureau of Economic Analysis



Source: Bureau of Economic Analysis

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Source: Bureau of Labor Statistics

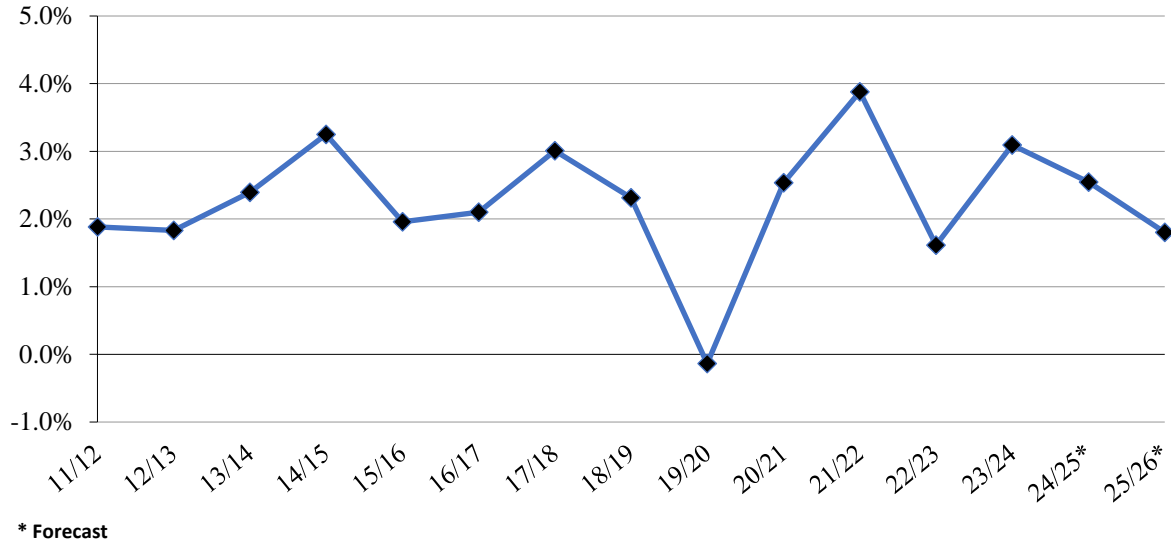
Economic Outlook

National Economic Forecast

In the fiscal years before the COVID-19 pandemic hit, the U.S. economy was expanding at a steady pace. For example, in Fiscal Year 2017-2018 U.S. real GDP expanded by 3%, and the following year by 2.4%. In Fiscal Year 2019-2020, the COVID-19 pandemic hit, and the economy came to a grinding halt in the first quarter of calendar year 2020 (third quarter of Fiscal Year 2019-2020). Data shows that U.S. real GDP fell by an annualized rate of 5.1% in the first quarter of 2020 and 31.2% (again, annualized) in the second quarter (April to June) of the same year. In the third quarter of calendar 2020, the economy recovered, growing at an annualized rate of 33.8%, and in the third quarter, U.S. real GDP grew by another 4.5%. The opening of the economy reflects this fact. There was an increase in U.S. real GDP of 4.3% in Fiscal Year 2021-2022, of 2.2% in Fiscal Year 2022-2023 and of 3.1% in Fiscal Year 2023-2024. Moody's Analytics forecasts that in Fiscal Year 2024-2025, U.S. real GDP will grow by 2.3% and in the following fiscal year by 1.2%.

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U.S. REAL GROSS DOMESTIC PRODUCT GROWTH



Source: Moody's Analytics and Bureau of Economic Analysis

Louisiana Economic Forecast

The State's historical results and forecasts for major economic indicators are presented in the table below. Consistent with the national economic forecast, Moody's Analytics projects an increase in State Non-Agricultural employment in Fiscal Years 2024-2025 and 2025-2026.

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**LOUISIANA ECONOMIC FORECAST SUMMARY
BY FISCAL YEAR END JUNE 30**

	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025*</u>	<u>FY 2026*</u>
Macroeconomic Assumptions						
Population (Thousand)	4,642.4	4,617.2	4,608.8	4,649.0	4,688.0	4,693.9
% Change	-0.3%	-0.5%	-0.2%	0.9%	0.8%	0.1%
Louisiana Non-Agricultural Employment (Thousand)	1,844.1	1,905.1	1,948.8	1,956.8	1,971.5	1,986.4
% Change	-4.3%	3.3%	2.3%	0.4%	0.8%	0.8%
National Non-Agricultural Employment (Million)	143.0	149.8	154.5	157.4	159.4	160.5
% Change	-2.8%	4.8%	3.2%	1.9%	1.3%	0.7%
Louisiana Wages and Salaries (\$ Billion)	103.2	111.9	118.7	126.0	131.8	137.8
% Change	0.2%	8.4%	6.1%	6.2%	4.6%	4.6%
National Wages and Salaries (\$ Billion)	9,822.0	10,774.9	11,431.4	12,093.3	12,694.5	13,293.2
% Change	5.0%	9.7%	6.1%	5.8%	5.0%	4.7%
Inflation (Personal Consumption Deflator - Year 2017 = 100)	106.2	112.6	118.7	122.1	124.8	127.9
% Change	2.1%	6.0%	5.4%	2.9%	2.2%	2.5%
Annual Change in U.S. Real Gross Domestic Product	2.7%	4.3%	2.2%	3.1%	2.5%	1.8%
Mineral-Related Assumptions						
Severance Crude Oil Price (\$/barrel)	50.60	87.78	81.20	82.15	71.15	66.47
% Change	4.2%	73.5%	-7.5%	1.2%	-13.4%	-6.6%
Oil Production (Million Barrels)	36.0	35.0	36.0	35.0	34.0	34.0
% Change	-14.3%	-2.8%	2.9%	-2.8%	-2.9%	0.0%
Henry Hub Natural Gas Price (\$/MCF)	2.43	5.21	3.25	2.19	2.95	3.82
% Change	21.5%	114.4%	-37.6%	-32.6%	34.7%	29.5%
Natural Gas Severance Rate (¢/MCF)	9.3	9.1	17.7	25.1	9.8	10.9
Natural Gas Production (Million MCF)	3,100.0	3,500.0	4,000.0	4,200.0	3,600.0	3,500.0
% Change	0.0%	12.9%	14.3%	5.0%	-14.3%	-2.8%

* Forecast

Source: Division of Administration, Moody's Analytics, and Bureau of Economic Analysis

Additional information regarding tourism in the State may be found at <http://www.crt.State.la.us/tourism/louisiana-research/>.

Economic Development and Recent Project Announcements

Information regarding the State's economic development efforts and recent project announcements may be viewed at <http://www.louisianaeconomicdevelopment.com>.

Employment and Major Industries

Information regarding employment and major industries may be obtained from the Workforce Commission at <http://www.laworks.net/>, the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.

PART II

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PART II

GENERAL PURPOSE FINANCIAL DATA, DEBT INFORMATION AND LITIGATION UPDATE, INCLUDING BY REFERENCE THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024

PART II contains certain information concerning the State of Louisiana (the “State”), including the State’s general purpose financial data, debt information and litigation update, including, by reference, the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024. PART II has been supplied by the State to provide additional information about the financial condition of the State. The State intends to update and supplement such information (the “Annual Information Statement”) on an annual basis; the State reserves the right to change the format to reflect changed conditions. Furthermore, in addition to financial information and operating data described, Part I includes narrative and contextual information describing current or recent events and other matters which may or may not be updated and/or supplemented from year to year in the Annual Information Statement, depending on the relevance of such information at the time it is filed with EMMA, as hereinafter described.

The Annual Information Statement will be filed with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system and will be updated annually. An electronic copy of the Annual Information Statement will be accessible through the EMMA system at www.emma.msrb.org. An official copy of the Annual Information Statement may be obtained by contacting the State Bond Commission, P.O. Box 44154, Baton Rouge, Louisiana 70804; telephone: (225) 342-0040.

GENERAL

Accounting practices of the State are conducted in accordance with statutory requirements, and financial statements are in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standard Board (GASB).

In accordance with the accounting practices outlined above, the basic financial statements of the State include the government-wide financial statements, the fund financial statements and notes to the basic financial statements. The government-wide statements consist of a Statement of Net Position and a Statement of Activities. These statements are prepared using the economic resources measurement focus and accrual basis of accounting, with revenues recognized in the period earned and expenses recognized in the accounting period in which the associated liability is incurred. Major revenues such as sales tax, general severance tax, gasoline tax, inspection fees, and tobacco tax are assessed and collected so they can be accrued accordingly. All assets, including buildings, movable property, and infrastructure, as well as all liabilities, are reported on the government-wide statements. Liabilities include judgments, general obligation debt, post-employment benefits (pensions and health insurance) and compensated leave. Fiduciary activities are excluded from the government-wide statements.

The governmental fund statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances, with one column for the General Fund, one for each of the major funds, and one column combining all the non-major governmental funds. The statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period, generally considered 45 days after the end of the fiscal year, except for federal grants, which generally are considered available for 12 months after the end of the fiscal year. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest payments on general long-term liabilities, which are recognized when due.

Annual Comprehensive Financial Report

The most recent Annual Comprehensive Financial Report, which may be viewed at <https://www.doa.la.gov/doa/osrap/annual-financial-report/>, has been audited by the Legislative Auditor of the State as set forth in his opinion report dated December 31, 2024. The Legislative Auditor's report is included in the Annual Comprehensive Financial Report. Such audited financial statements, including the notes thereto, should be read in their entirety.

Bond Security and Redemption Fund

Article VII, Section 9(B) of the State Constitution directs the deposit of State revenues described in Article VII, Section 9(A) of the State Constitution to the payment of debt service for all obligations secured by the full faith and credit of the State, which become due and payable within the current fiscal year. State revenues that are subject to this requirement are immediately credited to the Bond Security and Redemption Fund and then to the General Fund or applicable statutorily dedicated fund if not required for payment of debt service.

General Fund

The General Fund is the principal operating fund of the State and was established administratively to provide for the distribution of funds appropriated by the Legislature for the ordinary expenses of State government. Revenue is provided from the direct deposit of federal grants and the transfer of State revenues from the Bond Security and Redemption Fund after general obligation debt service requirements are met, and transfers are made into statutorily dedicated funds. For the GAAP presentation of the General Fund in the Annual Comprehensive Financial Report, statutorily dedicated funds that are not reported as special revenue funds (see below) are included in the General Fund. The proceeds for statutorily dedicated funds are legally restricted or committed to expenditures of a specific purpose.

Special Revenue Funds

The special revenue funds are statutorily dedicated funds that account for the proceeds of certain revenues that are legally restricted or committed to expenditures of a specific purpose. For a fund to qualify for reporting as a special revenue fund in the Annual Comprehensive Financial Report, the fund must have direct deposits of revenue in addition to any transfers from the Bond Security and Redemption Fund.

Capital Project Funds

Capital Project funds account for all financial resources segregated for the acquisition or construction of major general government capital projects.

CASH MANAGEMENT

Since the implementation of the central cash management system, the State Treasurer has been able to invest surplus funds not required for immediate expenditure. Major emphasis is placed on effective cash planning to ensure that adequate cash is available to meet needs as they arise. Highest priority is given to expediting the processing of receipts for immediate deposit in the State's accounts to maximize cash available for investment. A Statewide network of deposit accounts in local banks and wire transfers to the State depository banks provide timely receipt and deposit of State and federal funds to the State Treasurer's central depository account. Since warrants are not paid until presented to the State Treasurer, it is possible to maximize investment return on available funds.

AUDIT PRACTICES

Article III, Section 11 of the State Constitution created the Office of Legislative Auditor, who is responsible solely to the Legislature and serves as its fiscal advisor. The Legislative Auditor performs the duties and functions provided by law related to auditing fiscal records of the State, its agencies and political subdivisions. The Legislative Auditor serves at the will of the Legislature with no fixed term.

Under the provisions of La. R.S. 24:513, the Legislative Auditor has authority to examine and audit the books and accounts of the State Treasurer as well as all public boards and commissions or any agency or department or political subdivision of the State or any public official or employee. The scope of his examinations may include certification of financial accountability, legal compliance and evaluations of the economy, efficiency, and effectiveness of the entity being audited. He is required to prepare and, on the first day of each regular session of the Legislature, submit to the Governor and the Legislature his report on the financial statements of the State. See the Independent Auditor's report for the Fiscal Year ending June 30, 2024 in the State's Annual Comprehensive Financial Report, which may be viewed at <https://www.doa.la.gov/doa/osrap/annual-financial-report/>, and has been audited by the Legislative Auditor of the State as set forth in his opinion report dated December 31, 2024 . Such audited financial statements, including the notes thereto, should be read in their entirety.

GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND

With respect to the General Fund and the Bond Security and Redemption Fund, the following six tables set forth for Fiscal Years 2019-2020 through 2023-2024 (i) General Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances, (ii) Bond Security and Redemption Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances, and (iii) the combined General Fund and Bond Security and Redemption Fund comparative balance sheet and comparative statement of revenues, expenditures, and changes in fund balances. The figures reflected in the tables come from the Annual Comprehensive Financial Reports and the Supplement to the Annual Comprehensive Financial Report. The tables may be viewed at <https://www.doa.la.gov/doa/osrap/annual-financial-report/>.

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GENERAL FUND
COMPARATIVE BALANCE SHEET AT JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
ASSETS					
CASH & INVESTMENTS	18,181,717	16,043,120	13,095,587	8,694,195	4,435,538
RECEIVABLES (NET)	1,040,606	964,093	913,697	724,045	732,969
DUE FROM BOND SECURITY & REDEMPTION FUND	1,762,202	1,884,467	2,271,823	1,311,618	1,543,282
DUE FROM OTHER FUNDS	51,296	62,666	154,851	173,050	167,567
AMOUNTS DUE FROM COMPONENT UNITS	288	4,462	24,738	12,407	33,567
DUE FROM FEDERAL GOVERNMENT	3,645,905	3,774,134	3,534,830	3,002,013	2,276,696
INVENTORIES	84,401	106,182	156,615	132,459	79,418
PREPAYMENTS	230,585	217,548	218,617	126,501	187,432
OTHER ASSETS	1	1	1	1	14
TOTAL ASSETS	24,997,001	23,056,673	20,370,759	14,176,289	9,456,483
LIABILITIES:					
ACCOUNTS PAYABLE	2,332,542	2,696,292	2,213,042	2,311,086	1,876,827
TAX REFUNDS PAYABLE	--	--	33,975	24,877	--
UNCLAIMED PROPERTY LIABILITY	347,233	286,614	270,258	270,519	213,658
DUE TO BOND SECURITY & REDEMPTION FUND	747,527	736,961	1,108,148	491,018	363,241
DUE TO OTHER FUNDS	366,711	662,357	1,431,639	277,602	270,482
AMOUNTS DUE TO COMPONENT UNITS	79,733	86,578	85,322	58,306	140,061
DUE TO FEDERAL GOVERNMENT	708,507	724,610	889,293	729,396	685,114
DUE TO LOCAL GOVERNMENTS	1,879,470	1,664,995	1,261,923	1,224,440	945,641
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	7,522,813	6,945,599	5,530,732	1,173,459	--
UNEARNED REVENUES	1,363,569	1,457,674	2,196,734	3,109,831	1,589,870
ESTIMATED LIABILITY FOR CLAIMS	116,174	72,004	82,478	85,226	79,504
OTHER LIABILITIES	10,911	4,788	626	53,671	1
TOTAL LIABILITIES	15,475,190	15,338,472	15,104,170	9,809,431	6,164,399
DEFERRED INFLOWS OF RESOURCES:					
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	447	490	1,344	1,145	619
TOTAL DEFERRED INFLOWS OF RESOURCES	447	490	1,344	1,145	619
FUND BALANCES:					
NONSPENDABLE	149,423	191,212	201,047	170,495	110,226
RESTRICTED	6,447,239	5,488,007	3,000,414	2,219,957	1,855,350
COMMITTED	2,187,979	1,817,088	1,965,105	1,680,551	1,378,232
ASSIGNED	378,444	221,404	98,679	294,710	--
UNASSIGNED	358,279	--	--	--	(52,343)
TOTAL FUND BALANCES	9,521,364	7,717,711	5,265,245	4,365,713	3,291,465
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	24,997,001	23,056,673	20,370,759	14,176,289	9,456,483

Source: Annual Comprehensive Financial Reports

GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
REVENUES:					
INTERGOVERNMENTAL REVENUES	23,766,628	25,638,665	22,645,959	20,134,839	15,961,789
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	1,050	1,167	1,413	805	2,300
INTEREST INCOME	16,397	9,882	(5,593)	14,129	8,663
OTHER	3,256	1,878	174	49	1,276
LICENSES, PERMITS & FEES	25,726	24,527	25,365	25,175	24,265
SALES OF COMMODITIES & SERVICES	8,334	8,014	8,354	8,110	5,601
OTHER	294,140	267,088	198,636	251,324	198,190
TOTAL REVENUES	24,115,531	25,951,221	22,874,308	20,434,431	16,202,084
EXPENDITURES:					
GENERAL GOVERNMENT	2,560,330	3,060,999	2,734,564	3,274,230	2,068,181
CULTURE, RECREATION & TOURISM	138,504	148,063	145,939	122,842	100,802
TRANSPORTATION & DEVELOPMENT	85,157	53,575	643,148	654,118	619,124
PUBLIC SAFETY	2,941,445	3,399,150	3,378,750	2,132,435	1,968,086
HEALTH & WELFARE	22,693,766	22,621,361	20,659,436	18,873,290	16,334,321
CORRECTIONS	957,986	919,869	882,129	851,980	687,771
YOUTH DEVELOPMENT	172,587	153,050	129,462	129,285	105,093
CONSERVATION & ENVIRONMENT	448,485	387,612	341,577	346,740	355,642
EDUCATION	8,852,384	8,471,399	7,867,993	6,782,581	6,428,524
AGRICULTURE & FORESTRY	190,523	151,138	186,941	160,316	155,076
ECONOMIC DEVELOPMENT	267,910	231,897	215,134	192,972	229,055
MILITARY & VETERANS AFFAIRS	193,716	171,754	188,900	189,956	160,049
WORKFORCE SUPPORT & TRAINING	242,515	269,436	294,002	306,015	252,346
DEBT SERVICE:					
PRINCIPAL	97,892	74,610	66,490	38,029	41,845
INTEREST	11,349	9,846	11,443	17,916	23,450
ISSUANCE COSTS & OTHER CHARGES	1,762	2,591	2,742	6,536	2,850
TOTAL EXPENDITURES	39,856,311	40,126,350	37,748,650	34,079,241	29,532,215
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM BOND SECURITY & REDEMPTION FUND	18,802,539	18,272,058	17,817,809	14,936,240	13,611,675
TRANSFERS FROM OTHER FUNDS	66,425	70,473	720,303	735,036	682,931
TRANSFERS TO BOND SECURITY & REDEMPTION FUND	(4,067)	(4,190)	(845,217)	(262,129)	(12,182)
TRANSFERS TO OTHER FUNDS	(1,465,043)	(1,755,411)	(2,004,196)	(734,922)	(549,321)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	--	--	--	(333,440)	--
LONG TERM DEBT ISSUED	44,925	--	--	355,575	--
LONG TERM DEBT ISSUED - PREMIUMS	1,645	--	--	3,277	--
LEASE, SBITA, & INSTALLMENT PURCHASES	97,954	44,600	83,704	--	--
OTHER	55	65	57	209	30
TOTAL OTHER FINANCING SOURCES (USES)	17,544,433	16,627,595	15,772,460	14,699,846	13,733,133
NET CHANGE IN FUND BALANCE	1,803,653	2,452,466	898,118	1,055,036	403,002
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	7,717,711	5,265,245	4,367,127	3,310,677	2,888,463
FUND BALANCE AT END OF YEAR	9,521,364	7,717,711	5,265,245	4,365,713	3,291,465

Source: Annual Comprehensive Financial Reports

BOND SECURITY AND REDEMPTION FUND
COMPARATIVE BALANCE SHEET AT JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
ASSETS:					
CASH & INVESTMENTS	297,084	360,495	386,272	311,739	252,029
RECEIVABLES (NET)	2,730,370	2,507,307	2,589,499	1,686,553	2,200,911
DUE FROM GENERAL FUND	747,527	736,961	1,108,148	491,018	363,241
AMOUNTS DUE FROM COMPONENT UNITS	21,889	21,541	22,391	14,022	19,742
TOTAL ASSETS	3,796,870	3,626,304	4,106,310	2,503,332	2,835,923
LIABILITIES:					
ACCOUNTS PAYABLE	122	354	1,334	3,124	173
TAX REFUNDS PAYABLE	516,896	476,087	391,481	458,923	504,089
DUE TO GENERAL FUND	1,762,202	1,884,467	2,271,823	1,311,618	1,543,282
DUE TO OTHER FUNDS	258,401	94,112	93,694	96,182	83,398
DUE TO LOCAL GOVERNMENTS	7	6	7	7	7
UNEARNED REVENUES	4,354	4,737	68,355	46,137	35,653
TOTAL LIABILITIES	2,541,982	2,826,694	2,826,694	1,915,991	2,166,602
DEFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE	667,086	535,658	495,281	587,341	669,321
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	587,802	630,883	784,335	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	1,254,888	1,166,541	1,279,616	587,341	669,321
FUND BALANCES:					
NONSPENDABLE	--	--	--	--	--
RESTRICTED	--	--	--	--	--
COMMITTED	--	--	--	--	--
ASSIGNED	--	--	--	--	--
UNASSIGNED	--	--	--	--	--
TOTAL FUND BALANCES	--	--	--	--	--
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	3,796,870	3,626,304	4,106,310	2,503,332	2,835,923

Source: Annual Comprehensive Financial Reports

**BOND SECURITY AND REDEMPTION FUND COMPARATIVE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)**

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
REVENUES:					
INTERGOVERNMENTAL REVENUES	508,185	607,141	679,482	617,661	652,660
TAXES:					
SALES & USE TAXES	4,989,120	4,955,403	4,883,203	4,172,738	3,703,250
SEVERANCE TAXES	842,348	860,512	520,554	277,769	431,834
INDIVIDUAL INCOME TAXES	4,799,085	4,647,521	4,518,834	3,962,863	3,674,648
CORPORATE INCOME TAXES	945,820	1,224,615	1,035,936	688,646	427,320
GAS & FUELS TAXES	486,832	486,357	508,476	478,041	469,113
OTHER	2,507,481	2,172,950	1,957,999	1,697,306	1,552,939
GAMING	995,319	999,483	992,646	919,644	777,718
TOBACCO SETTLEMENT	54,030	60,584	66,778	64,962	57,552
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	334,931	416,738	385,205	272,739	294,279
INTEREST INCOME	947,171	324,443	(466,044)	350,783	225,719
OTHER	10,782	27,856	4,188	21,858	19,942
LICENSES, PERMITS & FEES	1,512,113	1,395,113	1,389,505	1,292,979	1,308,917
SALES OF COMMODITIES & SERVICES	1,254,904	1,219,600	1,243,923	1,137,241	1,014,736
OTHER	108,472	105,033	107,558	170,342	165,861
TOTAL REVENUES	20,296,593	19,503,349	17,828,243	16,125,572	14,776,488
EXPENDITURES:					
GENERAL GOVERNMENT	89	99	63	83	194
DEBT SERVICE:					
PRINCIPAL	295,665	291,160	287,005	275,325	285,220
INTEREST	140,184	143,144	145,525	153,727	160,784
ISSUANCE COSTS & OTHER CHARGES	605	400	1,718	1,533	968
TOTAL EXPENDITURES	436,543	434,803	434,311	430,668	447,166
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM GENERAL FUND	4,067	4,190	845,217	262,129	12,182
TRANSFERS FROM OTHER FUNDS	87,740	7,402	181,269	30,173	20,641
TRANSFERS TO GENERAL FUND	(18,802,539)	(18,272,058)	(17,817,809)	(14,936,240)	(13,611,675)
TRANSFERS TO OTHER FUNDS	(1,163,993)	(821,948)	(620,785)	(1,071,269)	(761,478)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(352,670)	-	-	(518,387)	(103,141)
LONG TERM DEBT ISSUED	316,930	-	-	519,610	98,620
LONG TERM DEBT ISSUED - PREMIUMS	36,345	154	1,180	274	5,381
OTHER	14,070	13,714	16,996	18,806	10,148
TOTAL OTHER FINANCING SOURCES (USES)	(19,860,050)	(19,068,546)	(17,393,932)	(15,694,904)	(14,329,322)
NET CHANGE IN FUND BALANCE	-	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-	-

Source: Annual Comprehensive Financial Reports

**COMBINED GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND (WITH
ELIMINATIONS) COMPARATIVE BALANCE SHEET AT JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)**

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
ASSETS:					
CASH & INVESTMENTS	18,478,801	16,403,615	13,481,859	9,005,934	4,687,567
RECEIVABLES (NET)	3,770,976	3,471,400	3,503,196	2,410,598	2,933,880
DUE FROM OTHER FUNDS	51,296	62,666	154,851	173,050	167,567
AMOUNTS DUE FROM COMPONENT UNITS	22,177	26,003	47,129	26,429	53,309
DUE FROM FEDERAL GOVERNMENT	3,645,905	3,774,134	3,534,830	3,002,013	2,276,696
INVENTORIES	84,401	106,182	156,615	132,459	79,418
PREPAYMENTS	230,585	217,548	218,617	126,501	187,432
OTHER ASSETS	1	1	1	1	14
TOTAL ASSETS	26,284,142	24,061,549	21,097,098	14,876,985	10,385,883
LIABILITIES:					
ACCOUNTS PAYABLE	2,332,664	2,696,646	2,214,376	2,314,210	1,877,000
TAX REFUNDS PAYABLE	516,896	476,087	425,456	483,800	504,089
UNCLAIMED PROPERTY LIABILITY	347,233	286,614	270,258	270,519	213,658
DUE TO OTHER FUNDS	625,112	756,469	1,525,333	373,784	353,880
AMOUNTS DUE TO COMPONENT UNITS	79,733	86,578	85,322	58,306	140,061
DUE TO FEDERAL GOVERNMENT	708,507	724,610	889,293	729,396	685,114
DUE TO LOCAL GOVERNMENTS	1,879,477	1,665,001	1,261,930	1,224,447	945,648
OBLIGATIONS UNDER SECURITIES LENDING PROGRAM	7,522,813	6,945,599	5,530,732	1,173,459	--
UNEARNED REVENUES	1,367,923	1,462,411	2,265,089	3,155,968	1,625,523
ESTIMATED LIABILITY FOR CLAIMS	116,174	72,004	82,478	85,226	79,504
OTHER LIABILITIES	10,911	4,788	626	53,671	1
TOTAL LIABILITIES	15,507,443	15,176,807	14,550,893	9,922,786	6,424,478
DEFERRED INFLOWS OF RESOURCES:					
UNAVAILABLE REVENUE	667,086	535,658	495,281	587,341	669,321
LEASE RELATED DEFERRED INFLOWS OF RESOURCES	587,802	630,883	784,335	--	--
GRANTS RECEIVED PRIOR TO MEETING TIME REQUIREMENTS	447	490	1,344	1,145	619
TOTAL DEFERRED INFLOWS OF RESOURCES	1,255,335	1,167,031	1,280,960	588,486	669,940
FUND BALANCES:					
NONSPENDABLE	149,423	191,212	201,047	170,495	110,226
RESTRICTED	6,447,239	5,488,007	3,000,414	2,219,957	1,855,350
COMMITTED	2,187,979	1,817,088	1,965,105	1,680,551	1,378,232
ASSIGNED	378,444	221,404	98,679	294,710	--
UNASSIGNED	358,279	--	--	--	(52,343)
TOTAL FUND BALANCES	9,521,364	7,717,711	5,265,245	4,365,713	3,291,465
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	26,284,142	24,061,549	21,097,098	14,876,985	10,385,883

Source: Supplement to the Annual Comprehensive Financial Report

COMBINED GENERAL FUND AND BOND SECURITY AND REDEMPTION FUND (WITH ELIMINATIONS)
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED JUNE 30, 2020 THROUGH JUNE 30, 2024
(EXPRESSED IN THOUSANDS)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
REVENUES:					
INTERGOVERNMENTAL REVENUES	24,274,813	26,245,806	23,325,441	20,752,500	16,614,449
TAXES:					
SALES & USE TAXES	4,989,120	4,955,403	4,883,203	4,172,738	3,703,250
SEVERANCE TAXES	842,348	860,512	520,554	277,769	431,834
INDIVIDUAL INCOME TAXES	4,799,085	4,647,521	4,518,834	3,962,863	3,674,648
CORPORATE INCOME TAXES	945,820	1,224,615	1,035,936	688,646	427,320
GAS & FUELS TAXES	486,832	486,357	508,476	478,041	469,113
OTHER	2,507,481	2,172,950	1,957,999	1,697,306	1,552,939
GAMING	995,319	999,483	992,646	919,644	777,718
TOBACCO SETTLEMENT	54,030	60,584	66,778	64,962	57,552
USE OF MONEY & PROPERTY:					
MINERAL RESOURCES	335,981	417,905	386,618	273,544	296,579
INTEREST INCOME	963,568	334,325	(471,637)	364,912	234,382
OTHER	14,038	29,734	4,362	21,907	21,218
LICENSES, PERMITS & FEES	1,537,839	1,419,640	1,414,870	1,318,154	1,333,182
SALES OF COMMODITIES & SERVICES	1,263,238	1,227,614	1,252,277	1,145,351	1,020,337
OTHER	402,612	372,121	306,194	421,666	364,051
TOTAL REVENUES	44,412,124	45,454,570	40,702,551	36,560,003	30,978,572
EXPENDITURES:					
GENERAL GOVERNMENT	2,560,419	3,061,098	2,734,627	3,274,313	2,068,375
CULTURE, RECREATION & TOURISM	138,504	148,063	145,939	122,842	100,802
TRANSPORTATION & DEVELOPMENT	85,157	53,575	643,148	654,118	619,124
PUBLIC SAFETY	2,941,445	3,399,150	3,378,750	2,132,435	1,968,086
HEALTH & WELFARE	22,693,766	22,621,361	20,659,436	18,873,290	16,334,321
CORRECTIONS	957,986	919,869	882,129	851,980	687,771
YOUTH DEVELOPMENT	172,587	153,050	129,462	129,285	105,093
CONSERVATION & ENVIRONMENT	448,485	387,612	341,577	346,740	355,642
EDUCATION	8,852,384	8,471,399	7,867,993	6,782,581	6,428,524
AGRICULTURE & FORESTRY	190,523	151,138	186,941	160,316	155,076
ECONOMIC DEVELOPMENT	267,910	231,897	215,134	192,972	229,055
MILITARY & VETERANS AFFAIRS	193,716	171,754	188,900	189,956	160,049
WORKFORCE SUPPORT & TRAINING	242,515	269,436	294,002	306,015	252,346
DEBT SERVICE:					
PRINCIPAL	393,557	365,770	353,495	313,354	327,065
INTEREST	151,533	152,990	156,968	171,643	184,234
ISSUANCE COSTS & OTHER CHARGES	2,367	2,991	4,460	8,069	3,818
TOTAL EXPENDITURES	40,292,854	40,561,153	38,182,961	34,509,909	29,979,381
OTHER FINANCING SOURCES (USES):					
TRANSFERS FROM OTHER FUNDS	154,165	77,875	901,572	765,209	703,572
TRANSFERS TO OTHER FUNDS	(2,629,036)	(2,577,359)	(2,624,981)	(1,806,191)	(1,310,799)
PAYMENTS TO REFUNDED BOND ESCROW AGENT	(352,670)	--	--	(851,827)	(103,141)
LONG TERM DEBT ISSUED	361,855	--	--	875,185	98,620
LONG TERM DEBT ISSUED - PREMIUMS	37,990	154	1,180	3,551	5,381
LEASE, SBITA, & INSTALLMENT PURCHASES	97,954	44,600	83,704	--	--
OTHER	14,125	13,779	17,053	19,015	10,178
TOTAL OTHER FINANCING SOURCES (USES)	(2,315,617)	(2,440,951)	(1,621,472)	(995,058)	(596,189)
NET CHANGE IN FUND BALANCE	1,803,653	2,452,466	898,118	1,055,036	403,002
FUND BALANCE AT BEGINNING OF YEAR AS RESTATED	7,717,711	5,265,245	4,367,127	3,310,677	2,888,463
FUND BALANCE AT END OF YEAR	9,521,364	7,717,711	5,265,245	4,365,713	3,291,465

Source: Supplement to the Annual Comprehensive Financial Report

DEBT STRUCTURE OF THE STATE

Debt Authorization and Debt Structure of the State

The State Constitution provides in Article VII, Section 6(A) that the State shall have no power, directly or indirectly, through any State board, agency, commission, or otherwise, to incur debt or issue bonds, except by law enacted by two-thirds of the elected members of each house of the Legislature. Such debt may be incurred, or the bonds issued, only if the funds are to be used to (i) repel invasion, (ii) suppress insurrection, (iii) provide relief from natural catastrophes, (iv) refund outstanding indebtedness at the same or a lower effective interest rate, or (v) make capital improvements, but only in accordance with a comprehensive capital budget that the Legislature shall adopt. If the purpose is to make capital improvements, the nature and location and, if more than one project, the amount allocated to each and the order of priority shall be stated in the comprehensive capital budget that the Legislature is required to adopt. Except for revenue bonds authorized in Article VII, Section 6(C) of the State Constitution and except as provided in Article VII, Section 27 of the State Constitution relating to the Transportation Trust Fund, the full faith and credit of the State shall be pledged to the repayment of all bonds, or other evidence of indebtedness issued by the State directly or through any State board, agency, or commission. The Legislature may also, by law enacted by two-thirds of the elected members of each house, propose a Statewide public referendum to authorize the incurring of debt by the State for any purpose for which the legislature is not authorized by the State Constitution to issue debt.

Article VII, Section 6(B)(2) of the State Constitution requires that the total amount of debt service to be paid for capital improvements for the subsequent fiscal year be stated as a separate item and by budget unit in the budget estimate required to be submitted by the Governor of the State in accordance with Article VII, Section 11 of the State Constitution.

Bond Security and Redemption Fund

Article VII, Section 9(B) of the State Constitution gives constitutional status to the Bond Security and Redemption Fund and further provides that, subject to contractual obligations existing on the effective date of the State Constitution (midnight December 31, 1974), all State money deposited in the State Treasury is to be credited to the Bond Security and Redemption Fund, except money received as the result of grants or donations or other forms of assistance when the terms and conditions thereof or agreements pertaining thereto require otherwise. Article VII, Section 27(A) of the State Constitution provides that the four cents (\$.04) tax levied by the State on gasoline and motor fuels and special fuels pursuant to the provisions of La. R.S. 47:820.1 shall be credited to the Bond Security and Redemption Fund only after payments have been made to pay principal, interest, or premium, if any, and other obligations incident to the issuance, security and payment in respect of bonds authorized in Section 27(C) thereof. Article VII, Section 9 of the State Constitution further provides that, with certain exceptions, all money received by the State or by any State board, agency or commission shall be deposited immediately upon receipt in the State Treasury. The State Constitution further requires that in each fiscal year an amount be allocated from the Bond Security and Redemption Fund sufficient to pay all obligations that are secured by the full faith and credit of the State and that become due and payable within the current fiscal year, including principal, interest, premiums, sinking or reserve funds or other requirements. Thereafter, except as otherwise provided by law, money remaining in the Bond Security and Redemption Fund is to be credited to the General Fund.

Debt Limitation

Article VII, Section 6(F) of the State Constitution requires the Legislature to limit the amount of net State tax supported debt (“NSTSD”) that may be issued in any fiscal year and further requires that debt service payments on NSTSD not exceed 6% of General Fund and dedicated fund revenues estimated by the Revenue Estimating Conference (the “REC”). The constitutional provision prohibits the State Bond Commission from approving the issuance of any NSTSD if the debt service required by such debt would

cause the limit to be exceeded. It also provides that the definition of NSTSD cannot be changed, nor can the limit be changed or exceeded except by specific legislative instrument that receives the favorable vote of two-thirds of the members of each house of the Legislature.

La. R.S. 39:1367, the statutory companion to Article VII, Section 6(F) of the State Constitution, provides that NSTSD shall not be issued if the amount that is to be expended for servicing NSTSD each fiscal year exceeds certain percentages of General Fund and dedicated funds revenues established by the REC. The allowable percentage for Fiscal Year 2003-2004 and each fiscal year thereafter is 6%.

According to La. R.S. 39:1367E(2)(a), NSTSD means all of the following debt obligations issued by the State or any entity in the State for which the State is legally obligated to make debt service payments, either directly or indirectly: (i) general obligation bonds secured by the full faith and credit of the State; (ii) debt secured by capital leases of immovable property payable by the State or annual appropriations of the State; (iii) debt secured by Statewide tax revenues or Statewide special assessments; (iv) any funds advanced by a political subdivision in accordance with La R.S. 47:820.2; and (v) bonds secured by self-supported revenues which in the first instance may not be sufficient to pay debt service and will then draw upon the full faith and credit of the State.

According to La. R.S. 39:1367E(2)(b), NSTSD does not mean: (i) any obligations owed by the State pursuant to the State Employment Security Law, (ii) cash flow borrowings payable from revenue attributable to one fiscal year, (iii) any bond or note, including the full payment of and interest on any refunding bond or note, issued by the State pursuant to Section 4 or 5 of Act 41 of the 2006 First Extraordinary Session of the Legislature, (iv) any bond, note, certificate, warrant, reimbursement obligation, or other evidence of indebtedness issued pursuant to La. R.S. 23:1532.1, (v) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in La. R.S. 17:3394(C) or any bonds used to refund such bonds, notes, or evidences of indebtedness, (vi) any short term loan not to exceed one year issued by a postsecondary education management board for the purpose of financing projects as authorized in La. R.S. 39:128(B)(1), (vii) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in R.S. 39:91 or any bonds issued to refund such bonds, notes, or evidence of indebtedness, (viii) any bond, note, or other evidence of indebtedness issued by the Coastal Protection and Restoration Authority or the Coastal Protection and Restoration Authority Financing Corporation, (ix) any bond, note, or other evidence of indebtedness issued for the purpose of financing the projects set forth in R.S. 48:77.1 or any bonds issued to refund such bonds, notes, or evidence of indebtedness, or (x) any bond, note, certificate, warrant, reimbursement obligation, guarantee, credit enhancement, pledge, assistance, or other evidence of indebtedness issued pursuant to R.S. 39:462.1 et seq.

Pursuant to La. Administrative Code, Title 71, Part III, Section 1501, the State Bond Commission has adopted a debt limit policy that is more restrictive than La. R.S. 39:1367.

State Attorney General Opinion No. 94-452 interprets the types of indebtedness that La. R.S. 39:1367 includes and excludes as NSTSD; however, the State Bond Commission has adopted a rule that is more restrictive than the State Attorney General's opinion.

Act 419 of the 2013 Regular Session of the Legislature ("*Act 419*"), effective July 1, 2013, modifies the definition of the funds that shall be included in the annual Official Forecast of the REC, which sets forth the sources and amounts of funds available for spending, to include the General Fund and dedicated funds except that money the origin of which is (i) the federal government, (ii) self-generated collections by any entity subject to the policy and management authority established by the State Constitution, or (iii) a transfer from another State agency, board or commission. The provisions of this Act also contain a new requirement that the REC "...shall include an estimate of money available for appropriation from each dedicated fund..." and another new stipulation to the effect that "...the executive budget shall not include recommendations for appropriation from any fund in excess of the official forecast of money available for

appropriation from that fund.” Another provision thereof provides new limitations on the appropriation act as follows: “the General Appropriation Bill and other appropriation bills shall not appropriate any funds, as defined in Article VII, Section 10(J) of the State Constitution, which are not part of the official forecast...” finally, another provision contains a new restriction regarding spending from statutorily dedicated funds that limits “financing from any existing statutorily dedicated fund for appropriations other than the fund’s intended statutory purposes shall be limited to the prior year’s fund balances and shall not include anticipated fund balances for the ensuing fiscal year unless provided by law.”

Pursuant to Attorney General Opinion 14-0031 issued on May 5, 2014, as a result of Act 419, it is the Attorney General’s opinion that Act 419 also modifies the limitation on the issuance of NSTSD. These newly recognized statutorily dedicated funds and self-generated funds generally flow through the Bond Security and Redemption Fund, so they were already available to pay for general obligation bond debt service. Act 419 incorporates the revenues into the denominator of the NSTSD calculation, thus increasing the amount of NSTSD that could be issued.

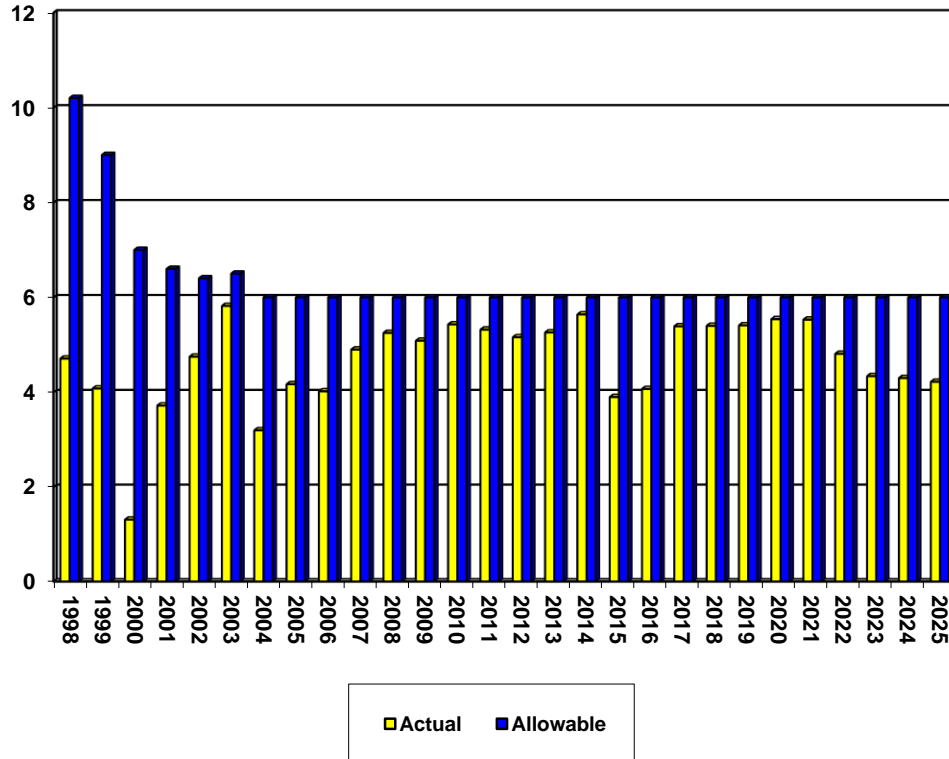
The State Bond Commission adopted a policy at its August 21, 2014, meeting regarding NSTSD in light of the enactment of Act 419. Such policy was adopted to alleviate concerns that additional NSTSD would be issued under the increased debt limit without the benefit of additional revenues to pay debt service on debt that constitutes NSTSD pursuant to Article VII, Section 6(F) of the State Constitution, La. R.S. 39:1367, and La. Administrative Code, Title 71, Part III, Section 1501. The policy adopted by the State Bond Commission provides that the State Bond Commission shall not approve the issuance of any debt that constitutes NSTSD pursuant to the State Constitution, La. R.S. 39:1367, and the La. Administrative Code, Title 71, Part III, Section 1501, if the issuance of that debt shall cause the amount of money necessary to service outstanding NSTSD to exceed six percent (6%) of the estimate of money to be received by the General Fund and dedicated funds for each respective fiscal year as determined by the REC under the methods used by the REC prior to the effective date of Act 419. The State Bond Commission policy became effective August 21, 2014.

Debt service payable on NSTSD for Fiscal Year 2023-2024 was \$668,418,546 or 4.30% of the estimated General Fund and dedicated funds revenues established by the REC, as compared to an authorized limit for the current and subsequent fiscal years of 6%. As of December 31, 2024, debt service payable on NSTSD for Fiscal Year 2024-2025 is calculated to be \$668,047,449 or 4.22% of the estimated General Fund and dedicated fund revenues contained in the official forecast adopted by the REC at its first meeting after the beginning of Fiscal Year 2024-2025, which was held on December 19, 2024.

The following graph illustrates the State’s compliance with the NSTSD limit for each fiscal year since the enactment of the law.

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NET STATE TAX SUPPORTED DEBT LIMIT HISTORY
(Based on annual debt service)



In addition to the debt limitations contained in Article VII, Section 6(F) of the State Constitution and La. R.S. 39:1367, *et. seq.*, two additional statutory debt limitations, La. R.S. 39:1365(25) and La. R.S. 39:1402(D), also exist.

Under La. R.S. 39:1365(25), the Legislature shall not authorize any general obligation bonds or other general obligations secured by the full faith and credit of the State if the total principal amount of such debt outstanding plus the amount of such debt authorized by the Legislature but unissued exceeds two times the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such authorization. As of December 31, 2024, total general obligation debt issued plus authorized, but unissued, was \$4,931,283,419, while the Bond Security and Redemption Fund average collections for the last 3 years times two was \$39,172,046,667.

Under La. R.S. 39:1402(D), the State Bond Commission shall not issue general obligation bonds or other general obligations secured by the full faith and credit of the State at any time when the highest annual debt service requirement for the current or any subsequent fiscal year for such debt, including the debt service on such bonds or other general obligations then proposed to be sold by the State Bond Commission, exceeds ten percent of the average annual revenues of the Bond Security and Redemption Fund for the last three fiscal years completed prior to such issuance. As of December 31, 2024, the highest annual general obligation debt service requirement is \$429,424,334, while the Bond Security and Redemption Fund average collections for the last 3 years times 10% was \$1,958,602,333.

Under La. R.S. 39:1464, refunding bonds may be issued from time to time by the State Bond Commission in its discretion and the refunding bonds shall not be limited by the provisions of La. R.S. 39:1402(D) and (E) or be subject to the provisions of La. R.S. 39:1365.

Cooperative Endeavor Agreements

The State Constitution provides that the funds, credit, property, or things of value of the State or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private, subject to certain enumerated exceptions. However, for a public purpose, the State and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual.

To provide programs and services with a public purpose, the State, through its various agencies, boards and commissions, is party to a number of cooperative endeavor agreements with local and federal governmental entities, non-profit entities, charitable organizations, and others. The majority of such cooperative endeavors are related to programs of public health and social welfare services, local capital construction projects, leases, conservation and restoration activities, economic development activities, disaster recovery activities, and research grant activities through institutions of higher learning. Other cooperative endeavors are related to third-party financing of local correctional facilities and capital construction of institutions of higher education.

The contractual obligation of the State and/or its various agencies, boards, and commissions to make payments under a cooperative endeavor agreement generally does not constitute debt under State law, but rather is subject to annual appropriation by the Legislature of amounts sufficient to make such payment. Generally, failure by the Legislature to appropriate such amount in any fiscal year does not constitute an event of default under a cooperative endeavor agreement.

For purposes of this section, the cooperative endeavor agreements described under the caption “**CERTAIN FISCAL MATTERS - Health Care Funding**,” are not included in this section. Payments by the State to the private partners are paid, subject to annual appropriation, pursuant to the Medicaid Vendor Payment Program administered by LDH.

As of June 30, 2024, the net outstanding balance of all cooperative endeavors to which the State, including its universities systems, is a party (but not necessarily obligated through debt instruments) was approximately \$6.4 billion, which primarily includes the following:

Primary Government State Agencies

- \$2.3 billion related to multi-year cooperative endeavors between the various state agencies and other governmental entities to fund eligible expenses that are reimbursable by federal grants.
- \$933 million related to executed commitments to fund the Office of Facility Planning and Control’s capital outlay projects at the local level that are financed primarily with State General Fund and State general obligation bond issues (which are included in the NSTSD).
- \$689 million related to executed commitments to fund the Department of Transportation and Development’s capital outlay projects at the local level that are financed primarily with federal and/or statutorily dedicated funds.
- \$662 million related to executed commitments the Coastal Protection and Restoration Authority’s capital outlay projects at the local level that are financed primarily with federal and/or statutorily dedicated funds.
- \$420 million related to multi-year cooperative endeavors between the Division of Administration and other state entities and/or local entities to support debt service.
- \$370 million related to multi-year cooperative endeavors between the Louisiana Department of Economic Development and various entities for construction and workforce related programs.
- \$83 million is related to multi-year cooperative endeavors between the State and local sheriffs for the care and housing of State inmates placed with the local prison facilities.

University Systems

\$716 million is related to multi-year cooperative endeavors between the State's university systems and nonprofit organizations. Of this amount:

- \$465 million is related to agreements between the Louisiana Community and Technical College System (LCTCS) and nonprofit organizations supporting debt service issued by the nonprofit organizations, which is also reflected in NSTSD;
- \$112 million is related to lease commitments made by the Louisiana State University System to the Tiger Athletic Foundation; and
- \$139 million is for various capital construction and specific research or recruitment programs funded by the University of Louisiana System, Louisiana State University System, Southern University System, and the Board Regents.

In addition, State law mandates that all cooperative endeavors having an associated debt component commitment must receive State Bond Commission approval and must be reported to the JLCB.

Capital Program

The State has a capital program to improve the infrastructure and capital assets necessary to provide essential services and to stimulate economic growth. The program is designed to prioritize capital projects for legislative consideration and to develop viable financing options. Future general obligation debt issuances will provide for the continuance of the capital program in accordance with executive and legislative initiatives.

Article VII, Section 6 of the State Constitution authorizes the State to sell bonds secured by the State's full faith and credit for certain enumerated purposes. Those purposes include funding of capital improvements in accordance with a comprehensive capital budget, which must state the nature, location and, if more than one project, the amount allocated to and the order of priority for each project. The portion of the capital outlay act funded with bond proceeds categorizes each project set forth therein into one of five priority classifications.

Historically, the first four priority classifications authorized the bond financing necessary to fund the planning and construction of capital improvement projects. Because the State has limited the sale of new money bonds in the past several fiscal years, priority one projects consist of projects carried forward from previous acts of the Legislature and funded with lines of credit by the State Bond Commission. Priority two, three and four projects consist primarily of new projects in the Capital Outlay Act.

With limited exceptions, no general obligation bonds are sold to fund a lower priority project prior to the sale of general obligation bonds to fund all higher priority projects. Funds appropriated for the projects listed in priority five reflect that portion of construction contracts to be let that do not require cash expenditures in the current fiscal year. Article VII, Section 11(C) of the State Constitution requires that, prior to inclusion in the capital outlay budget, each project must be evaluated through a feasibility study, as defined by the Legislature, including an analysis of need and estimation of construction and operating costs.

Recent and Anticipated Debt Offerings

Various plans of financing arise from time to time. The following include recent debt transactions and those currently under consideration by the State:

- State of Louisiana \$116,875,000 General Obligation Refunding Bonds, Series 2025-A (closed on March 25, 2025)
- State of Louisiana \$198,125,000 Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, Series 2025-A (closed on April 8, 2025)

- State of Louisiana \$351,435,000 General Obligation Bonds, Series 2025-B (closed on May 15, 2025)
- State of Louisiana refunding of Gasoline and Fuels Tax Second Lien Revenue Refunding Bonds, Series 2022-A (callable on November 1, 2025, and subject to mandatory tender on May 1, 2026)
- State of Louisiana Grant Anticipation Revenue Bonds (GARVEEs) (timing is to be determined). In June 2023 the State received approval for an increase in total issuance authority from \$650 million to \$830 million, of which \$566.13 million has been issued to date

Further, the State continues to evaluate refunding opportunities across its debt structure.

State Debt

The following nine tables respectively set forth the following information as of December 31, 2024: (i) net State tax supported debt recap statement; (ii) schedule of debt service requirements (principal and interest) to maturity with respect to net State tax supported general obligation debt equivalents to be paid from the Bond Security and Redemption Fund; (iii) schedule of debt service requirements (principal and interest) to maturity with respect to revenue debt having a specifically identified major tax, license or fee dedication classified as net State tax supported debt; (iv) schedule of debt service requirements (principal and interest) to maturity with respect to non-general obligation bonds requiring annual appropriation which bonds are classified as net State tax supported debt; (v) schedule of debt service requirements (principal and interest) to maturity with respect to non-general obligation bonds which are self-supporting and classified as net State tax supported debt; (vi) summary schedule of outstanding net State tax supported debt by fiscal period; (vii) schedule of debt service requirements (principal and interest) to maturity with respect to general obligation debt, non-general obligation bonds requiring annual appropriation, and Grant Anticipation Revenue Bonds, which aforementioned debt are not classified as net State tax supported debt and therefore excluded from the State's net tax supported debt calculation; and (viii) summary schedule of outstanding net State tax supported debt and non-net State tax supported debt by fiscal period; and (ix) preliminary schedule of debt service requirements (principal and interest) with respect to Deepwater Horizon Economic Damages Revenue Bonds.

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**NET STATE TAX SUPPORTED DEBT
OUTSTANDING AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS)
UNAUDITED**

	PRINCIPAL OUTSTANDING	INTEREST OUTSTANDING	TOTAL OUTSTANDING
GENERAL OBLIGATION DEBT EQUIVALENTS ⁽¹⁾:			
General Obligation Bonds	3,311,865	1,087,816	4,399,681
Less: 2020C-2 LA General Obligation Bond Refunding Bond	24,630	605	25,235
Less: 2024E LA General Obligation Bond Refunding Bond	5,150	129	5,279
SUBTOTAL GENERAL OBLIGATION DEBT EQUIVALENTS	3,282,085	1,087,082	4,369,167
APPROPRIATION DEPENDENCY DEBT CLASSIFIED AS NSTSD ⁽²⁾⁽³⁾:			
IDB of City of New Orleans (N.O. Federal Alliance Project), Refunding Series 2014	7,665	604	8,269
LCDA - Baton Rouge Community, Refunding Series 2020A	32,620	3,715	36,335
LCDA - Bossier Parish Community, Refunding Series 2012B	11,665	745	12,410
LCDA - Delta Community College Project, Refunding Series 2017A	7,970	810	8,780
LCDA - LCTCS Facilities Corp Project, Refunding Series 2017A	48,730	6,246	54,976
LCFC - LA Correctional Institute for Women Project, Series 2023	43,560	21,454	65,014
LCFC - LA Prison Enterprises Project, Series 2015A	1,815	161	1,976
LCFC - Office of Juvenile Justice Project, Series 2021	18,935	6,765	25,700
LPFA - Alexandria LSU Housing, Refunding Series 2017	6,595	1,635	8,230
LPFA - Hurricane Recovery, Refunding Series 2014	1,905	113	2,018
LPFA - Hurricane Recovery, Refunding Series 2022	56,535	2,413	58,948
LPFA - SUSFMILL, Refunding Series 2018	17,965	6,015	23,980
LPFA - UNO Student Housing, Refunding Series 2022A	26,615	5,014	31,629
LPTFA - South Louisiana Community College, Refunding Series 2012	3,435	221	3,656
LTA - LA Transportation Authority (LA 1), Refunding Series 2013B	77,725	24,276	102,001
LTA - LA Transportation Authority (LA 1), Refunding Series 2013C	27,295	4,507	31,802
LTA - LA Transportation Authority (LA 1), Refunding Series 2021A	53,785	16,660	70,445
SUBTOTAL APPROPRIATION DEPENDENCY DEBT	444,815	101,354	546,169
REVENUE DEBT HAVING A SPECIFICALLY IDENTIFIED MAJOR TAX, LICENSE, OR FEE DEDICATION CLASSIFIED AS NSTSD:			
Gas & Fuel Tax, Second Lien Series 2015B	12,625	591	13,216
Gas & Fuel Tax, First Lien Series 2017B	42,400	4,370	46,770
Gas & Fuel Tax, Second Lien Series 2017C	153,370	108,280	261,650
Gas & Fuel Tax, First Lien Delayed Term Loan Series 2020A	488,455	70,318	558,773
Gas & Fuel Tax, First Lien Series 2020A-2	277,860	55,546	333,406
Gas & Fuel Tax, Second Lien Series 2020B-1	41,295	17,757	59,052
Gas & Fuel Tax, First Lien Series 2022A	612,365	251,658	864,023
Gas & Fuel Tax, First Lien Series 2022B	21,795	11,815	33,610
Gas & Fuel Tax, Second Lien Series 2022A (4)	118,070	85,249	203,319
Gas & Fuel Tax, Second Lien Series 2023A-1 (4)	199,865	127,853	327,718
Gas & Fuel Tax, Second Lien Series 2023A-2 (4)	103,055	66,951	170,006
Gas & Fuel Tax, Second Lien Series 2024A	289,515	146,506	436,021
Unclaimed Property Special Revenue Bonds, Series 2015 South	6,745	510	7,255
Unclaimed Property Special Revenue Refunding Bonds, Series 2021 North	55,025	5,078	60,103
Unclaimed Property Special Revenue Refunding Bonds, Series 2021 South	61,460	8,091	69,551
LA State Highway Improvement Revenue Refunding Bonds, Series 2021	185,625	14,905	200,530
SUBTOTAL CLASSIFIED REVENUE DEBT	2,669,525	975,478	3,645,003
OTHER SELF SUPPORTING ISSUES CLASSIFIED AS NSTSD ⁽⁵⁾:			
Greater New Orleans Expressway Refunding, Series 2024	22,205	6,016	28,221
SUBTOTAL OTHER - SELF SUPPORTING	22,205	6,016	28,221
TOTAL NET STATE TAX SUPPORTED DEBT	6,418,630	2,169,930	8,588,560

(1) Full faith and credit bonds of the State paid from Bond Security and Redemption Fund not having a dedicated revenue stream. Does not include GO Bonds 2020C-2 and a portion of Series 2024E Bonds (refunded Series 2013C) which under La. R.S. 39:1367(E)(2)(b)(iii) are excluded from the State's Net Tax Supported Debt calculation.

(2) Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status.

(3) Does not include LCDA - LCTCS Act 360 Project Bonds which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(4) The Series 2023A-1 (redeemed 2017A), 2023A-2 (redeemed 2017D-1), and 2022A (redeemed 2017D-2) are all variable rate bonds hedged with various interest rate swap agreements. Debt service projections are as follows:

(a) 2023A-1 and 2023A-2 forecasted interest rate through March 2028 based on an average remarketing rate plus blended swap rates of 3.646% (2023A-1) and 3.665% (2023A-2); and a forecasted interest rate thereafter through maturity based on the blended swap rate plus spread over index.

(b) 2022A assumes blended swap rate of 4.447% plus spread over index.

(5) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the state, but classified as net tax supported debt by rule of the State Bond Commission.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
GENERAL OBLIGATION NET STATE TAX SUPPORTED DEBT
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA GO Classified as NSTSD Total
2025	429,424
2026	411,083
2027	371,831
2028	354,055
2029	355,052
2030	321,028
2031	303,273
2032	305,053
2033	272,321
2034	253,672
2035	223,746
2036	183,962
2037	183,962
2038	143,210
2039	120,753
2040	96,124
2041	75,037
2042	57,086
2043	41,364
2044	22,807
Total	4,524,843

(1)(2)

⁽¹⁾ Full faith and credit debt service classified as NSTSD paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.

⁽²⁾ Does not include GO Bonds Series 2020 C-2 and a portion of the Series 2024E Bonds (refunded Series 2013C) which under La. R.S. 39:1367(E)(2)(b)(iii) are excluded from the State's Net Tax Supported Debt calculation.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
REVENUE DEBT HAVING A SPECIFICALLY IDENTIFIED MAJOR TAX, LICENSE, OR FEE DEDICATION CLASSIFIED AS NSTSD
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	2015B (2nd lien)	2023A-1 (2nd lien)	2017B (1st Lien)	2017C (2nd Lien)	2023A-2 (2nd Lien)	2022A (2nd Lien)	2020A (1st Lien)	2020A-2 (1st Lien)	2020B-1 (2nd Lien)	2022A (1st Lien)	2022B (1st Lien)	2024A (2nd Lien)	2021 SHIF	2021N UCP	2015S UCP	2021S UCP	Total
2025	7,795	6,747	11,955	10,479	3,509	7,181	48,323	14,080	2,074	21,281	814	7,238	20,875	6,659	3,551	3,564	176,124
2026	5,786	7,101	11,958	6,919	3,717	7,326	50,464	9,783	1,580	21,281	814	16,152	20,873	6,653	3,545	3,567	177,518
2027		7,302	11,957	14,729	3,843	7,425	36,373	14,909	1,769	21,280	814	25,010	20,878	6,652	3,541	3,563	180,045
2028		7,757	11,960	14,733	4,087	7,536	37,329	24,861	1,589	21,283	814	16,641	20,877	6,636		6,895	182,998
2029		9,294		8,043	4,817	7,645	51,182	22,315	1,530	21,279	814	27,218	20,869	6,630		6,885	188,521
2030		9,516		8,642	4,932	7,761	52,280	27,720	1,942	21,279	814	22,109	20,871	6,625		6,881	191,372
2031		9,745		6,166	5,055	7,875	53,597	17,550	1,570	21,280	814	36,262	20,874	6,619		6,875	194,281
2032		9,976		9,012	5,179	7,999	54,755	15,216	1,044	23,895	814	36,348	20,873	6,622		6,874	198,607
2033		10,207		9,505	5,298	7,033	58,825	16,240	1,889	22,836	1,904	35,291	20,866	6,614		6,867	203,377
2034		10,453		9,421	5,429	7,100	60,017	21,203	1,024	24,083	760	32,598	13,993	6,608		6,862	199,550
2035		10,703		5,876	5,562	7,167	61,217	33,830	1,024	23,562	1,305	24,872				6,867	181,986
2036		10,957		6,199	5,704	7,237		71,541	2,444	26,899	733	54,627				6,857	193,198
2037		11,218		10,225	5,839	7,306		1,130	2,515	133,736	733	12,926					185,628
2038		11,485		5,017	5,984	7,377		1,130	2,577	121,520	733	30,680					186,502
2039		11,757		5,017	6,135	7,452		29,020	2,642	84,766	13,513	28,715					189,016
2040		12,033		15,342	6,290	7,527		7,619	2,708	134,809	221	4,410					190,959
2041		12,326		9,501	6,443	7,598		9,822	2,777	127,938	7,601	7,145					191,151
2042		80,127		14,301	41,407	39,475			15,251			635					191,194
2043		82,136		13,901	42,394	40,136			11,995			635					191,196
2044				35,801								16,510					52,311
2045				49,846													49,846
2046																	
Total	13,580	330,840	47,830	268,670	171,624	206,154	564,362	337,970	59,945	873,006	34,017	436,021	201,850	66,319	10,637	72,557	3,695,381
	(1)				(1)	(1)											

Revenue Debt include (a) Gasoline and Fuels Tax Revenue Bonds (Senior "1st" Lien) payable from the proceeds of the four-cent per gallon gasoline and special fuels tax and if necessary the sixteen-cent per gallon gasoline and special fuels tax, and (b) Gasoline and Fuels Tax Second Lien Revenue Bonds (Subordinate "2nd" Lien) payable from the proceeds of the four-cent and sixteen-cent per gallon gasoline and special fuels tax; (c) The Series 2013A, 2014A and 2021A SHIF Bonds are payable from certain registration license fees or taxes for the licensing by the State of all trucks, tandem trucks, truck-tractors, semitrailers and trailers collected by the State; (d) The Series 2013N, 2013S, 2015S, 2021N and 2021S UCP Bonds are payable on a first lien basis from

(1) The ("2nd Lien") Series' 2022A, 2023A-1, and 2023A-2 are variable rate bonds that are hedged with various interest rate swap agreements. Debt Service projections are as follows:

(a) 2023A-1 and 2023A-2 forecasted interest rate through March 2028 based on an average remarketing rate plus blended swap rates of 3.646% (2023A-1) and 3.665% (2023A-2); and a forecasted interest rate thereafter through maturity based on the blended swap rate plus spread over index.

(b) 2022A assumes blended swap rate of 4.447% plus spread over index.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
APPROPRIATION DEPENDENCY DEBT CLASSIFIED AS NSTSD
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

	LCDA Baton Rouge Community College Series	LCDA Bossier Parish CC Facilities Series	LCDA LCTCS Facility Corp Project Series	LCDA Delta Community College Series	LPTFA South Louisiana Community College Series	LPFA Alexandria LSU Housing Series 2017	LPFA SU Millennium Housing Series 2018	LPFA UNO Series 2022 REF	LPFA Hurricane Recovery Series 2014/2022 REF	LTA-LA 1 Project Series 2013B, C & 2021A	LCFC Revenue Bonds (LA Prison Enterprise Project) Series 2015A	LCFC Revenue Bonds (OJJ) Series 2021	IDB/N.O. Federal Alliance Proj Series 2014	LCFC Revenue Bonds (LCWI) Series 2023	Debt Service Requirements Payable From BSRF or From Direct GF Appropriation Total
Fiscal Year	2011, 2020A	2012B	2017A	2017A	2012A	Series 2017	2018	REF	2014/2022 REF	2021A	2015A	Series 2021	Series 2014	Series 2023	Total
2025	4,366	4,067	13,430	2,864	1,195	673	1,692	2,552	20,598	8,526	333	1,586	2,039	3,371	67,292
2026	4,469	4,072	13,430	2,860	1,201	675	1,686	2,694	20,600	8,501	334	1,583	2,038	3,366	67,511
2027	4,470	4,069	13,431	2,861	1,201	676	1,688	2,740	20,600	8,480	334	1,587	2,037	3,368	67,542
2028	4,504	4,075	13,433	2,860	1,199	677	1,687	2,783	-	8,464	334	1,583	2,039	3,371	47,011
2029	4,503		13,463			677	1,684	2,833	-	9,188	333	1,584	2,038	3,370	39,673
2030	4,501					676	1,683	2,899		9,190	333	1,584		3,369	24,236
2031	4,505					673	1,684	2,892		9,189		1,583		3,369	23,896
2032	4,498					680	1,692	2,884		9,190		1,585		3,370	23,898
2033	4,499					675	1,692	2,888		9,188		1,586		3,371	23,899
2034						678	1,692	2,875		9,192		1,585		3,371	19,393
2035						680	1,687	2,879		9,189		1,582		3,367	19,385
2036						677	1,679	2,867		9,196		1,583		3,372	19,373
2037						672	1,680			9,192		1,586		3,370	16,500
2038							1,683			9,196		1,582		3,371	15,831
2039							1,678			9,200		1,586		3,370	15,834
2040										9,205		1,582		3,370	14,157
2041										9,211		1,586		3,370	14,167
2042										9,206				3,370	12,576
2043										9,212				3,371	12,583
2044										9,208				3,371	12,579
2045										9,262					9,262
2046										9,263					9,263
2047										9,266					9,266
Total	40,315	16,284	67,187	11,445	4,797	8,789	25,288	33,787	61,798	208,912	2,002	26,933	10,190	67,399	585,126

Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status. The underlying security are payments under agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State. The various entities are the Office Facilities Corporation, Louisiana Public Facilities Authority, Lafayette Public Trust Financing Authority, Louisiana Correctional Facilities Corporation, Louisiana Transportation Authority, IDB of the City of New Orleans, Louisiana Community Development Authority.

Does not include LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
NON-GENERAL OBLIGATION BONDS WHICH ARE SELF-SUPPORTING
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
CLASSIFIED AS NSTSD AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

FISCAL YEAR	GREATER NEW ORLEANS EXPRESSWAY COMMISSION SERIES 2024	TOTAL REQUIREMENTS
2025	906	906
2026	3,035	3,035
2027	3,034	3,034
2028	3,037	3,037
2029	3,034	3,034
2030	3,041	3,041
2031	3,031	3,031
2032	3,036	3,036
2033	3,033	3,033
2034	3,034	3,034
Total	28,221	28,221

(1)

Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the state, but classified as NSTSD by rule of the State Bond Commission.

⁽¹⁾ Greater New Orleans Expressway Commission receives collections from State Highway Fund No. 2 which consists of certain vehicular license tax collections from the parishes of Orleans, Jefferson, St. John the Baptist, St. Charles and St. Tammany to assist in servicing these debts.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
SUMMARY - NSTSD BY FISCAL PERIOD
AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

NET GENERAL OBLIGATION DEBT EQUIVALENTS				REVENUE DEBT CLASSIFIED AS NSTSD			APPROPRIATION DEPENDENCY DEBT AS NSTSD			SELF-SUPPORTING DEBT CLASSIFIED AS NSTSD			TOTAL NSTSD		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	287,115	142,309	429,424	96,395	74,030	170,425	52,261	15,031	67,292	205	701	906	435,976	232,071	668,047
2026	273,570	137,513	411,083	98,235	79,283	177,518	54,465	13,046	67,511	1,985	1,050	3,035	428,255	230,892	659,147
2027	246,640	125,191	371,831	103,095	76,950	180,045	56,423	11,119	67,542	2,085	949	3,034	408,243	214,209	622,452
2028	240,385	113,670	354,055	108,430	74,568	182,998	37,882	9,129	47,011	2,195	842	3,037	388,892	198,209	587,101
2029	252,365	102,687	355,052	114,735	73,786	188,521	31,885	7,788	39,673	2,305	729	3,034	401,290	184,990	586,280
2030	228,645	92,383	321,028	120,355	71,017	191,372	17,339	6,897	24,236	2,430	611	3,041	368,769	170,907	539,676
2031	220,800	82,473	303,273	126,120	68,161	194,281	17,555	6,341	23,896	2,545	486	3,031	367,020	157,461	524,481
2032	233,235	71,818	305,053	133,880	64,727	198,607	18,120	5,778	23,898	2,680	356	3,036	387,915	142,679	530,594
2033	209,850	62,471	272,321	142,490	60,887	203,377	18,705	5,194	23,899	2,815	218	3,033	373,860	128,770	502,630
2034	200,835	52,837	253,672	142,780	56,770	199,550	14,725	4,668	19,393	2,960	74	3,034	361,300	114,349	475,649
2035	180,375	43,371	223,746	129,295	52,691	181,986	15,175	4,210	19,385	-	-	-	324,845	100,271	425,116
2036	148,515	35,447	183,962	144,200	48,998	193,198	15,640	3,733	19,373	-	-	-	308,355	88,178	396,533
2037	155,535	28,427	183,962	141,380	44,248	185,628	13,220	3,280	16,500	-	-	-	310,135	75,955	386,090
2038	121,435	21,775	143,210	146,945	39,557	186,502	12,965	2,866	15,831	-	-	-	281,345	64,198	345,543
2039	104,175	16,578	120,753	154,590	34,426	189,016	13,370	2,464	15,834	-	-	-	272,135	53,468	325,603
2040	84,620	11,504	96,124	161,795	29,164	190,959	12,075	2,082	14,157	-	-	-	258,490	42,750	301,240
2041	67,625	7,412	75,037	167,175	23,976	191,151	12,445	1,722	14,167	-	-	-	247,245	33,110	280,355
2042	52,550	4,536	57,086	172,945	18,249	191,194	11,195	1,381	12,576	-	-	-	236,690	24,167	260,857
2043	38,930	2,434	41,364	180,130	11,066	191,196	11,520	1,063	12,583	-	-	-	230,580	14,563	245,143
2044	21,930	877	22,807	48,175	4,136	52,311	11,900	679	12,579	-	-	-	82,005	5,692	87,697
2045	-	-	-	47,710	2,136	49,846	8,835	427	9,262	-	-	-	56,545	2,562	59,107
2046	-	-	-	-	-	-	9,005	258	9,263	-	-	-	9,005	258	9,263
2047	-	-	-	-	-	-	9,180	86	9,266	-	-	-	9,180	86	9,266
Total	3,369,130	1,155,713	4,524,843	2,680,855	1,008,827	3,689,682	475,885	109,241	585,126	22,205	6,016	28,221	6,548,075	2,279,797	8,827,872
			(1)			(2)(3)			(4)(5)			(6)			

(1) Full faith and credit bonds of the State paid from Bond Security and Redemption Fund not having a dedicated revenue stream. Does not include GO Bonds Series 2020C-2 and a portion of Series 2024E (refunded Series 2013C) which under La. R.S. 39:1367(E)(2)(b)(iii) are excluded from the State's Net Tax Supported Debt calculation.

(2) Revenue Debt include (a) Gasoline and Fuels Tax Revenue Bonds (Senior "1st" Lien) payable from the proceeds of the four-cent per gallon gasoline and special fuels tax and if necessary the sixteen-cent per gallon gasoline and special fuels tax, and (b) Gasoline and Fuels Tax Second Lien Revenue Bonds (Subordinate "2nd" Lien) payable from the proceeds of the four-cent and sixteen-cent per gallon gasoline and special fuels tax; (c) SHIF Bonds Series 2014A and 2021A payable from certain registration license fees or taxes for the licensing by the State of all trucks, tandem trucks, truck-tractors, semitrailers and trailers collected by the State; (d) UCP Bonds Series 2013N, 2013S, 2015S, 2021N and 2021S payable on a first lien basis from monies in the I-49 North and South Accounts of the Unclaimed Property Leverage Fund, respectively.

(3) Includes ("2nd Lien") Series 2022A, 2023A-1, and 2023A-2 variable rate bonds that are hedged with various interest rate swap agreements. Debt Service projections are as follows:

(a) 2023A-1 and 2023A-2 forecasted interest rate through March 2028 based on an average remarketing rate plus blended swap rates of 3.646% (2023A-1) and 3.665% (2023A-2); and a forecasted interest rate thereafter through maturity based on the blended swap rate plus spread over index.

(b) 2022A assumes blended swap rate of 4.447% plus spread over index.

(4) Appropriation dependency "debt" legally classified as NSTSD, but not bearing full faith and credit status.

(5) Does not include LCDA - LCTCS Act 360 Project, 2017, 2018, 2019 and 2021 Bonds which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(6) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the state, but classified as NSTSD by rule of the State Bond Commission.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
NON-NET STATE TAX SUPPORTED DEBT
SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA GO Classified as Non-NSTSD Total	Appropriation Dependency Debt Classified as Non-NSTSD Total	Grant Anticipation Revenue Bonds Classified as Non-NSTSD Total	Debt Service Total
2025	19,402	14,037	56,926	90,365
2026	10,285	13,925	56,334	80,544
2027	14,807	13,925	55,918	84,651
2028		13,895	55,502	69,397
2029		20,942	55,081	76,023
2030		20,596	54,666	75,261
2031		20,588	54,233	74,821
2032		20,597	53,812	74,409
2033		20,596	33,036	53,633
2034		20,991	32,636	53,627
2035		20,993	24,890	45,883
2036		20,990	24,861	45,852
2037		20,992		20,992
2038		20,995		20,995
2039		20,989		20,989
2040		20,993		20,993
Total	44,495	306,044	557,895	908,434
	(1)(2)	(3)	(4)	

(1) Full faith and credit bonds of the State paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.

(2) Includes GO Bonds Series 2020 C-2 and the portion of Series 2024E (refunded Series 2013C) which under La. R.S. 39:1367(E)(2)(b)(iii) are excluded from the State's Net Tax Supported Debt calculation.

(3) Includes LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(4) Grant Anticipation Revenue Bonds Series 2019, 2021, and 2023 paid from Federal Transportation Funds paid and reimbursed to the Louisiana Department of Transportation and Development ("DOTD") by the United State Department of Transportation Federal Highway Administration ("FHWA") pursuant to its obligation authority under the Federal-aid Highway Program administered by the FHWA. Issued pursuant to La. R.S. 48:27.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
SUMMARY - NSTSD & NON-NSTSD BY FISCAL PERIOD
AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

GENERAL OBLIGATION DEBT				REVENUE DEBT			APPROPRIATION DEPENDENCY DEBT			SELF-SUPPORTING DEBT			TOTAL DEBT		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	305,705	143,122	448,827	132,415	94,935	227,350	58,536	22,793	81,329	205	701	906	496,861	261,551	758,412
2026	283,570	137,798	421,368	135,495	98,357	233,852	60,870	20,566	81,436	1,985	1,050	3,035	481,920	257,771	739,691
2027	261,270	125,369	386,639	141,840	94,124	235,964	63,083	18,384	81,467	2,085	949	3,034	468,278	238,825	707,103
2028	240,385	113,670	354,055	148,735	89,765	238,500	44,782	16,124	60,906	2,195	842	3,037	436,097	220,401	656,498
2029	252,365	102,687	355,052	156,675	86,927	243,602	46,300	14,315	60,615	2,305	729	3,034	457,645	204,658	662,303
2030	228,645	92,383	321,028	164,020	82,018	246,038	32,074	12,758	44,832	2,430	611	3,041	427,169	187,769	614,938
2031	220,800	82,473	303,273	171,580	76,934	248,514	32,975	11,509	44,484	2,545	486	3,031	427,900	171,402	599,302
2032	233,235	71,818	305,053	181,240	71,179	252,419	34,230	10,265	44,495	2,680	356	3,036	451,385	153,618	605,003
2033	209,850	62,471	272,321	170,970	65,443	236,413	35,340	9,155	44,495	2,815	218	3,033	418,975	137,288	556,263
2034	200,835	52,837	253,672	172,310	59,876	232,186	32,175	8,209	40,384	2,960	74	3,034	408,280	120,996	529,276
2035	180,375	43,371	223,746	152,395	54,481	206,876	33,085	7,293	40,378	-	-	-	365,855	105,145	471,000
2036	148,515	35,447	183,962	168,455	49,604	218,059	34,035	6,329	40,364	-	-	-	351,005	91,380	442,385
2037	155,535	28,427	183,962	141,380	44,248	185,628	32,135	5,357	37,492	-	-	-	329,050	78,032	407,082
2038	121,435	21,775	143,210	146,945	39,557	186,502	32,435	4,391	36,826	-	-	-	300,815	65,724	366,539
2039	104,175	16,578	120,753	154,590	34,426	189,016	33,420	3,403	36,823	-	-	-	292,185	54,406	346,591
2040	84,620	11,504	96,124	161,795	29,164	190,959	32,750	2,400	35,150	-	-	-	279,165	43,068	322,233
2041	67,625	7,412	75,037	167,175	23,976	191,151	12,445	1,722	14,167	-	-	-	247,245	33,110	280,355
2042	52,550	4,536	57,086	172,945	18,249	191,194	11,195	1,381	12,576	-	-	-	236,690	24,167	260,857
2043	38,930	2,434	41,364	180,130	11,066	191,196	11,520	1,063	12,583	-	-	-	230,580	14,563	245,143
2044	21,930	877	22,807	48,175	4,136	52,311	11,900	679	12,579	-	-	-	82,005	5,692	87,697
2045	-	-	-	47,710	2,136	49,846	8,835	427	9,262	-	-	-	56,545	2,562	59,107
2046	-	-	-	-	-	-	9,005	258	9,263	-	-	-	9,005	258	9,263
2047	-	-	-	-	-	-	9,180	86	9,266	-	-	-	9,180	86	9,266
Total	3,412,350	1,156,988	4,569,338	3,116,975	1,130,602	4,247,577	712,305	178,865	891,170	22,205	6,016	28,221	7,263,835	2,472,471	9,736,306
		(1)(2)				(3)			(4)(5)			(6)			

(1) Full faith and credit bonds of the State paid from the Bond Security and Redemption Fund not having a dedicated revenue stream.

(2) Includes GO Bonds Series 2020C-2 and the portion of Series 2024E (refunded 2013C) which under La. R.S. 39:1367(E)(2)(b)(iii) are excluded from the State's Net Tax Supported Debt calculation.

(3) Revenue debt having specified/dedicated revenue source.

(4) Appropriation dependency "debt" not bearing full faith and credit status. The underlying security are payments under agreements with the State which are subject to, and dependent upon, annual appropriation of funds by the Legislature of the State.

(5) Includes LCDA - LCTCS Act 360 Project, Series 2017, 2018, 2019 and 2021 which under La. R.S. 39:1367(E)(2)(b)(v) are excluded from the State's Net Tax Supported Debt calculation.

(6) Includes dedicated revenue supported debt and other tax supported debt not backed by full faith and credit of the state, but classified as NSTSD by rule of the State Bond Commission.

Source: Louisiana State Bond Commission

STATE OF LOUISIANA
DEEPWATER HORIZON ECONOMIC DAMAGES REVENUE BONDS
PRELIMINARY SCHEDULE OF DEBT SERVICE REQUIREMENTS (PRINCIPAL AND INTEREST)
TO MATURITY AS OF DECEMBER 31, 2024
(EXPRESSED IN THOUSANDS) - UNAUDITED

Fiscal Year	LA 3241: LA 435 to LA 40/LA 41 (SEG. 3) Project (TIFIA - 20211012A) Non-NSTSD Total	UP R.R. Overpass near Bonita Project (TIFIA - 20211011A) Non-NSTSD Total	LA 3241: LA 36 to LA 435 (SEG. 2) Project (TIFIA - 20221003A) Non-NSTSD Total	I-49 South: Amb Caffer/US 90 Interchange Project (TIFIA - 20221009A) Non-NSTSD Total	Cameron Ferry Crossing Project (TIFIA - 20231001A) Non-NSTSD Total	Statewide Bridge Program Project (TIFIA - 20231002A) Non-NSTSD Total	LA 415 Phase I Project (TIFIA - 20241001A) Non-NSTSD Total	Preliminary Debt Service Total
2025	5,091	-	181	-	-	-	-	5,272
2026	5,066	609	5,168	7,422	1,377	-	-	19,642
2027	5,041	605	5,134	7,285	1,404	2,424	-	21,893
2028	5,731	1,100	5,100	7,638	2,520	2,383	-	24,471
2029	-	1,093	5,065	7,477	2,473	2,339	-	18,446
2030	-	1,834	6,924	9,788	4,207	2,298	18,457	43,508
2031	-	3,242	-	14,983	4,123	3,245	17,832	43,424
2032	-	3,220	-	14,601	3,806	3,182	17,209	42,018
2033	-	4,897	-	14,215	-	3,118	21,475	43,705
2034	-	-	-	18,690	-	4,147	25,876	48,713
2035	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-
Total	20,929	16,598	27,572	102,101	19,910	23,136	100,848	311,094

The Deepwater Horizon Economic Damages Revenue Bonds were issued under the Build America Bureau of Transportation Finance and Innovation Act (TIFIA) in a draw down loan structure pursuant to separate Loan Agreements among the SBC, acting on behalf of the State of Louisiana, the Department of Transportation and Development of the State of Louisiana, United States Department of Transportation ("USDOT"). The Bonds are secured solely by a pledge of BP Settlement funds received by the State with respect to economic damages sustained by the State from the Deepwater Horizon explosion and oil spill that occurred on or about April 20, 2010, at the MC 252 site in the Gulf of America. **Debt Service reflected above is preliminary and is subject to change based on actual draws, capitalized interest and project completion. Accordingly, debt service will be revised to reflect actual draws and debt service requirements.**

(a) TIFIA 20211012A and 20211011A issued on September 21, 2021 at a fixed rate of 0.500% and 0.690%, respectively.

(b) TIFIA 20221003A issued on December 2, 2021 at a fixed rate of 0.690%

(c) TIFIA20221009A issued on July 27, 2022 at a fixed rate of 2.84%

(d) TIFIA 20231001A and 20231002A issued on November 3, 2022 at a fixed rate of 2.12% and 2.12%, respectively

(e) TIFIA 20241001A issued on December 13, 2023 at a fixed rate of 4.170%

See "**BP Settlement Agreement**" section in Part I.

Source: Louisiana State Bond Commission

LEGAL MATTERS

No pending litigation affects the ability of the State to issue evidence of indebtedness, including the Bonds, and no litigation has been filed questioning the validity of the Bonds or the security therefor.

The State's Self-Insurance Fund is not available as a source of funds to settle tort claims involving road defect allegations nor to pay final judgements in such matters. As a result, settlements and judgements in such road hazard tort claims have been and will continue to be funded and paid only through individual legislative appropriation.

The State may sue and be sued in its official capacity for a variety of causes. It is possible that litigation will result in an award or settlement that could impact various revenues currently being budgeted by the State; however, the State cannot predict at this time whether such an impact is likely to occur. WHILE THERE CAN BE NO ASSURANCES AS TO THE ULTIMATE RESOLUTION AND FISCAL IMPACT OF SUCH LITIGATION, THE STATE BELIEVES THAT THE RESOLUTION OF SUCH LITIGATION ARE UNLIKELY TO ADVERSELY AFFECT THE ABILITY OF THE STATE TO PAY PRINCIPAL OF OR INTEREST ON THE BONDS.

THE STATE IS CURRENTLY AND MAY IN THE FUTURE BE PARTY TO OTHER CIVIL ACTIONS ARISING FROM ITS VARIOUS ACTIVITIES, HOWEVER, SAID CIVIL ACTIONS, IF SETTLED OR DECIDED ADVERSELY TO THE STATE, ARE LIKELY TO RESULT ONLY IN MONETARY JUDGEMENTS AND ARE SUBJECT TO APPROPRIATION PURSUANT TO ARTICLE XII, SECTION 10 OF THE STATE CONSTITUTION.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

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APPENDIX A

[PROPOSED FORM OF BOND COUNSEL OPINION]

July __, 2025

Office Facilities Corporation
Baton Rouge, Louisiana

\$75,000,000*
OFFICE FACILITIES CORPORATION
LEASE REVENUE BONDS
(NORTHWEST LOUISIANA STATE OFFICE BUILDING PROJECT)
SERIES 2025

Ladies and Gentlemen:

We have acted as bond counsel to the Office Facilities Corporation (the “*Corporation*”), a non-profit corporation duly organized and existing under the laws of the State of Louisiana (the “*State*”), in connection with the issuance by the Corporation of its \$75,000,000* Lease Revenue Bonds (Northwest Louisiana State Office Building Project) Series 2025 (the “*Bonds*”). Capitalized terms used herein which are not otherwise defined have the meanings assigned thereto in the Indenture hereinafter defined.

The Bonds have been issued pursuant to (a) the provisions of Chapter 17-D of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1798 through 1798.14, inclusive) (the “*Act*”), (b) resolutions adopted by the Board of Directors of the Corporation on July 25, 2024 and May 14, 2025 (collectively, the “*Resolution*”), and (c) a Trust Indenture dated as of July 1, 2025 (the “*Indenture*”) between the Corporation and Hancock Whitney Bank, as trustee (the “*Trustee*”).

The Bonds are issuable only as fully registered bonds in denominations, bear interest, are payable and mature all as set forth in the Indenture.

The Bonds have been issued for the purpose of providing funds to: (i) finance the design, construction, reconstruction, furnishing and equipping of a State office building located in Shreveport, Louisiana (the “*Facility*”), (ii) fund capitalized interest on the Bonds and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds.

The Facility will be leased by the Corporation to the State, through the Division of Administration of the State of Louisiana (the “*Division*”), pursuant to the Agreement to Lease with Option to Purchase dated as of July 1, 2025 (the “*Lease Purchase Agreement*”), pursuant to which the Division is required to pay Rental (as defined therein) in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds and other amounts owing under the Lease Purchase Agreement and the Indenture.

* Preliminary, subject to change.

The Bonds are limited and special obligations of the Corporation and are payable solely from the Pledged Revenues (as defined in the Indenture) and other receipts derived by the Corporation from the Division under and pursuant to the Lease Purchase Agreement or the Assignment of Pledged Revenues and Security Agreement of the Corporation in favor of the Trustee dated as of July 1, 2025 (the “Assignment”) and any other funds and security held by the Trustee under the Indenture and available for such payment (specifically excluding, however, the Rebate Fund), said payments, receipts and funds being herein referred to as the “Trust Estate.”

We have examined (a) the constitution and statutes of the State, including the Act, (b) certified copies of proceedings of the Board of Directors of the Corporation authorizing the issuance of the Bonds, the execution and delivery of the Indenture, the Assignment and the Lease Purchase Agreement and the taking of certain other action by or on behalf of the Corporation, including the Resolution and (c) such other documents, instruments, papers and matters of law as we have deemed relevant to the issuance of the Bonds and necessary for the purpose of this opinion. On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Bonds are authorized to be issued pursuant to the Act and other constitutional and statutory authority supplemental thereto and constitute valid and legally binding special and limited obligations of the Corporation secured as to the payment of principal, premium, if any, and interest thereon by the Indenture payable solely from the Trust Estate, including, without limitation, moneys received by the Trustee under the Lease Purchase Agreement and the Assignment.

2. The Indenture and the Assignment have been duly authorized, executed and delivered by the Corporation and constitute the valid and legally binding agreements of the Corporation, enforceable in accordance with their terms, providing for the valid assignment and pledge of the Pledged Revenues to the payment of the principal of, premium, if any, and interest on the Bonds.

3. The Lease Purchase Agreement has been duly authorized, executed and delivered by the Corporation and constitutes a valid and legally binding agreement of the Corporation and the State, through the Division, enforceable upon the Corporation and the State, and is subject to an annual appropriation dependency clause (as defined in the Act). All rights of the Corporation under and pursuant to the Lease Purchase Agreement have been duly and legally pledged and assigned by the Corporation to the Trustee as security for the Bonds.

4. The Bonds do not constitute or create a debt or liability of the State or of any agency, board or political subdivision thereof, and neither the full faith and credit nor the taxing power of the State or any agency, board or political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. Interest on the Bonds (including the amount of original issue discount properly allocable to the owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income (as defined in Section 59(k) of the Code) of certain corporations for purposes of computing the alternative minimum tax imposed on such corporations under the Code.

6. Under the Act, the interest on the Bonds is free from taxation of every kind by the State and by all political subdivisions in the State.

The foregoing opinion is qualified to the extent that the enforceability of the Bonds, the Indenture, the Assignment and the Lease Purchase Agreement may be subject to the exercise of the sovereign powers of the State or its governmental bodies and valid bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other laws affecting creditors' rights and remedies heretofore or hereafter enacted to the extent constitutionally applicable, including the remedy of specific performance and the enforcement also may be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

For the purposes of this opinion, our services as bond counsel have not extended beyond the examination and expression of the conclusions referred to above. Except as stated above, we express no opinion regarding any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

Respectfully submitted,

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APPENDIX B

FORMS OF CERTAIN PRINCIPAL DOCUMENTS

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FORM OF
AGREEMENT TO LEASE WITH OPTION TO PURCHASE

by and between

OFFICE FACILITIES CORPORATION
(as Lessor)

and

THE STATE OF LOUISIANA
(as Lessee)

Dated July 1, 2025

\$75,000,000
OFFICE FACILITIES CORPORATION
LEASE REVENUE BONDS
(NORTHWEST LOUISIANA STATE OFFICE BUILDING PROJECT)
SERIES 2025

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EXHIBIT A LEGAL DESCRIPTION OF LAND AND DESCRIPTION OF FACILITIES

AGREEMENT TO LEASE WITH OPTION TO PURCHASE

This AGREEMENT TO LEASE WITH OPTION TO PURCHASE (together with any amendment hereto or supplement hereof, the “*Lease Purchase Agreement*”), dated effective as of July 1, 2025, is entered into by and between the OFFICE FACILITIES CORPORATION, a nonprofit corporation organized under the laws of the State of Louisiana, particularly the Office Facilities Corporation Act, Chapter 17-D of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1798 through 1798.14) (the “*Act*”) represented herein by Roger Husser, Secretary (the “*Corporation*”); and the STATE OF LOUISIANA, through the Division of Administration created within the office of the Governor by Chapter 1 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, represented herein by Taylor F. Barras, Commissioner of Administration for the Division of Administration (the “*Division*”);

WITNESSETH:

WHEREAS, the State of Louisiana (the “*State*”), acting through the Division, wishes to provide for the design, construction, reconstruction, furnishing and equipping of a State office building located in Shreveport, Louisiana and related facilities (the “*Facilities*”) to be used to house personnel, equipment, and/or services of the various agencies of the State of Louisiana, and the Division is authorized pursuant to the Act to enter into lease purchase agreements with the Corporation for such purposes;

WHEREAS, the Division, on behalf of the State, has determined that in order to accomplish such purpose it is necessary and desirable to use and acquire the Facilities by leasing the same pursuant to this Lease Purchase Agreement; and

WHEREAS, the Corporation proposes to finance the design, construction, reconstruction, furnishing and equipping of the Facilities through the issuance of its bonds pursuant to the Indenture defined herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. Definitions. Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of and as used in this Lease Purchase Agreement, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings as set forth in the Indenture (as hereinafter defined). Other terms shall have the meanings assigned to them in other Sections of this Lease Purchase Agreement.

“*Additional Rental*” means the amounts specified as such in Section 6(c) of this Lease Purchase Agreement.

“*Administrative Expenses*” means the necessary, reasonable and direct out-of-pocket expenses incurred by the Corporation or the Trustee pursuant to the Indenture, the compensation of the Trustee under the Indenture (including, but not limited to any annual administrative fee charged by the Trustee), the compensation of the Corporation, and the necessary, reasonable and direct out-of-pocket expenses of the Trustee incurred by the Trustee in the performance of its duties under the Indenture.

“*Base Rental*” means the amounts referred to as such in Section 6(b) of this Lease Purchase Agreement (as such amounts may be adjusted from time to time in accordance with the terms hereof), but does not include Additional Rental.

“*Bonds*” means, the Office Facilities Corporation Lease Revenue Bonds (Northwest Louisiana State Office Building Project) Series 2025, authorized to be issued by the Corporation in the aggregate principal amount of \$75,000,000 including such Bonds issued in exchange for other Bonds pursuant to the Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to the Indenture.

“*Budget*” means the executive budget prepared by the Division in accordance with La. R.S. 39:34.

“*Business Day*” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

“*CERCLA*” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§9601 et seq.).

“*Claim*” collectively means any claim, liability, demand, loss, damage, deficiency, litigation, cause of action, penalty, fine, judgment, defense, imposition, fee, lien, bonding cost, settlement, disbursement, penalty, cost or expenses of any and every kind and nature (including without limitation Litigation Expenses), whether known or unknown, incurred or potential, accrued, absolute, direct, indirect, contingent or otherwise and whether imposed by strict liability, negligence, or otherwise, and consequential, punitive and exemplary damage claims.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Commencement Date*” means the effective date of this Lease Purchase Agreement.

“*Corporation*” means the Office Facilities Corporation and any successor to its rights and obligations under this Lease Purchase Agreement.

“*Debt Service Fund*” means the Debt Service Fund created by Section 4.1 of the Indenture.

“*Default or Delay Rental*” means and shall consist of: (i) all amounts, fees or expenses which the Corporation may be legally obligated to pay to Other Parties by reason of any default of the Division hereunder or any delay in payment of any sums due by the Division hereunder; and (ii) all costs, expenses and charges, including reasonable counsel fees, incurred by the Corporation whether by suit or otherwise, in collecting sums payable hereunder or in enforcing any covenant or agreement of the Division contained in this Lease Purchase Agreement or incurred in obtaining possession of the Facilities after default by the Division which shall be due not later than 30 days from notification that such Default or Delay Rentals are owed.

“*Division*” means the Division of Administration of the State of Louisiana and any successor to its rights and obligations under this Lease Purchase Agreement.

“Division Representative” means one or more of the persons designated and authorized in writing from time to time by the Division to represent the Division in exercising the Division’s rights and performing the Division’s obligations under this Lease Purchase Agreement.

“Encumbrance” means any lien, mortgage, encumbrance, privilege, charge, option, right of first refusal, conditional sales contract, security interest, mechanic’s and materialmen’s liens, or any lien or encumbrance securing payment of any Claims, including environmental Claims, or of any charges for labor, materials, supplies, equipment, taxes, or utilities, excluding the Option granted to the Division herein.

“Environmental Requirements” means all State, federal, local, municipal, parish, and regional laws, statutes, rules, regulations, ordinances, codes, permits, approvals, plans, authorizations, concessions, investigation results, guidance documents; all legislative, judicial, and administrative judgments, decrees, orders, rules, rulings, and regulations; and all agreements and other restrictions and requirements in effect on or prior to the Commencement Date, of any Governmental Authority, including, without limitation, federal, state, and local authorities, relating to the regulation or protection of human health and safety, natural resources, conservation, the environment, or the storage, treatment, disposal, processing, release, discharge, emission, use, remediation, transportation, handling, or other management of industrial, gaseous, liquid or solid waste, hazardous waste, hazardous or toxic substances or chemicals, or pollutants, and including without limitation the following environmental laws: The Clean Air Act (42 U.S.C.A. §1857); the Federal Water Pollution Control Act (33 U.S.C. §1251); the Resource Conservation and Recovery Act of 1976, (42 U.S.C. §6901); CERCLA, as amended by the Superfund Amendments and Reauthorization Act of 1986 (Pub.L. 99-499, 100 Stat. 1613); the Toxic Substances Control Act (15 U.S.C. §2601); the Clean Water Act (33 U.S.C. §1251); the Safe Drinking Water Act (42 U.S.C. §30); the Occupational Safety and Health Act (29 U.S.C. §651); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §135); the Louisiana Environmental Quality Act (La. R.S. 30:2001); and the Louisiana Air Quality Regulations (La. C. 33:III.2595), including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to or promulgated under any of the foregoing.

“Event of Default” means any default specified in and defined as such by Section 21 hereof.

“Expiration Date” means the date of final payment of the principal, premium, if any, and interest on the Bonds.

“Facilities” means: (a) the building and improvements to be constructed by the Corporation on the tracts of land owned by the State located in Shreveport, Louisiana and more particularly described in Exhibit A attached hereto, to be constructed for use by the Division and its Permitted Sublessees as permitted under this Lease Purchase Agreement or approved by the Division and by Other Parties pursuant to other agreements with the Corporation, and all other improvements located and to be located thereon, including, without limitation, all alleyways, connecting tunnels, sidewalks, utility pipes, conduits and lines (on and off site), parking areas and roadways appurtenant to such building and improvements, and all rights, ways, privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining; (b) all equipment, fixtures, apparatus, engines, motors, furnaces, boilers, heaters, machinery, and appliances which have been or will be permanently attached to and become component parts of the tracts of land, and the building and improvements located and to be located thereon and described in (a) immediately above; and (c) the heating, ventilating, air conditioning, refrigerating, incineration, air and water pollution control, waste disposal, air-cooling, fire, sprinkler and theft systems and the mechanical, electrical, and plumbing systems serving the tracts of land, and the building and improvements located and to be located thereon and described in (a) immediately above.

“Fiscal Year” means the fiscal year of the State, which at the date of this Lease Purchase Agreement is the period from July 1 to and including the following June 30.

“Governmental Authority” means any federal, State, parish, regional, or local government, political subdivision, any governmental agency, department, authority, instrumentality, bureau, commission, board, official, or officer, any court, judge, examiner, or hearing officer, any legislative, judicial, executive, administrative, or regulatory body or committee or official thereof or private accrediting body.

“Governmental Regulations” means any and all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, writs, injunctions, rules, regulations, restrictions, permits, plans, authorizations, concessions, investigation reports, guidelines, and requirements or accreditation standards of any Governmental Authority having jurisdiction over the Corporation and/or the Division, or affecting the Facilities.

“Hazardous Substance” means (a) any “hazardous substance” as defined in §101(14) of CERCLA or any regulations promulgated thereunder; (b) petroleum and petroleum by-products; (c) asbestos or asbestos containing material (“ACM”); (d) polychlorinated biphenyls; (e) urea formaldehyde foam insulation; or (f) any additional substances or materials which at any time are classified, defined or considered to be explosive, corrosive, flammable, infectious, radioactive, mutagenic, carcinogenic, pollutants, hazardous or toxic under any of the Environmental Requirements.

“Indenture” means the Trust Indenture dated as of July 1, 2025 between the Corporation and Hancock Whitney Bank, as Trustee, pursuant to which the Bonds have been issued and are secured.

“Lease Purchase Agreement” means this Agreement to Lease with Option to Purchase, including the Exhibit attached hereto, and any amendment or supplement hereto entered into from time to time in accordance with the terms hereof.

“Legal Expenses” means the reasonable fees and charges of attorneys and of legal assistants, paralegals, law clerks and other persons and entities used by attorneys and under attorney supervision and all costs incurred or advanced by any of them irrespective of whether incurred in or advanced prior to the initiation of any legal, equitable, arbitration, administrative, bankruptcy, trial or similar proceedings and any appeal from any of same.

“Litigation Expenses” means all out-of-pocket costs and expenses incurred as a result of a Default, or in connection with an indemnification obligation, including Legal Expenses, the reasonable fees and charges of experts and/or consultants, and all court costs and expenses.

“Option to Purchase” or *“Option”* means the option to purchase the Facilities granted in Section 23 of this Lease Purchase Agreement.

“Other Parties” means a Person other than the Parties.

“Parties” means the Corporation and the Division, collectively.

“Permitted Sublessees” means any political subdivision or public body of the State or any commission, entity, or regional authority created under or by intergovernmental cooperation under the

laws of the State or any other entity whose use of the Facilities would not adversely affect the tax-exempt status of the Bonds.

“Permitted Use” means the operation of the Facilities for the housing of the Division and of Permitted Sublessees and for purposes related to or associated with the foregoing.

“Person” means all juridical persons, whether corporate or natural, including individuals, firms, trusts, corporations, associations, joint ventures, partnerships, and limited liability companies or partnerships.

“Plans and Specifications” means the plans and specifications for the construction of the Facilities approved by the Division and the Corporation, as amended from time to time.

“Remediation” means any and all costs incurred due to any investigation of the Facilities or any remediation, response, cleanup, removal, or restoration required by any Governmental Regulation or Governmental Authority or by Environmental Requirements.

“Rental” means and includes the Base Rental and Additional Rental.

“State” means the State of Louisiana.

“Term” means the term of this Lease Purchase Agreement, as provided in Section 2 hereof.

“Trustee” means the trustee acting in its capacity as such under the Indenture or any successor appointed as therein provided, initially Hancock Whitney Bank.

SECTION 2. Agreement to Lease; Term of Lease. The Corporation hereby leases the Facilities to the Division, and the Division hereby leases the Facilities from the Corporation effective as of the Commencement Date of this Lease Purchase Agreement and agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Facilities, all on the terms and conditions set forth herein. The Division agrees that it will take immediate possession of the Facilities under the terms and provisions of this Lease Purchase Agreement upon the completion of construction. Upon substantial completion of the Facilities, the Corporation shall promptly deliver to the Trustee a Certificate of Completion, which, among other things, shall state the completion date. The Division understands and agrees that Rental shall accrue from the Commencement Date hereof notwithstanding the fact that the Facilities have yet to be constructed. No delay in the completion of construction of the Facilities beyond the time set forth in the construction documents will extend the Term. The Term of this Lease Purchase Agreement begins on the Commencement Date and ends on the Expiration Date; provided, however, this Lease Purchase Agreement shall terminate prior to the Expiration Date upon the happening of any of the following events:

(a) repayment or defeasance of the Bonds in full, including principal, premium, if any, interest and all Administrative Expenses with respect to the Bonds as set forth in the Indenture;

(b) the exercise by the Division of the Option to Purchase and the purchase of the Facilities pursuant to the Option; or

(c) any other event described in this Lease Purchase Agreement that is specifically stated to cause a termination of this Lease Purchase Agreement, including without limitation a Default by the Division,

and the failure of the legislature to appropriate or the Division to cause to be appropriated an amount necessary to pay the Base Rental, all as set forth in Sections 6(b) and 6(e) hereof.

Upon the termination of this Lease Purchase Agreement under the circumstances set forth in Section 2(a) above, all right, title and interest in and to the Facilities shall be transferred to the Division, and the Corporation hereby agrees to execute any documents necessary to effect such transfer of title to the Facilities.

SECTION 3. Acknowledgments, Representations and Covenants of the Division. The Division represents and covenants and agrees as follows:

(a) The Division has full power and authority to enter into this Lease Purchase Agreement and the transactions contemplated thereby and agrees to perform all of its obligations hereunder;

(b) The Division has been duly authorized to execute and deliver this Lease Purchase Agreement and further represents and covenants that this Lease Purchase Agreement constitutes the valid and binding obligation of the Division and that all requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease Purchase Agreement and the Division has complied with all constitutional and other statutory requirements as may be applicable to the Division in the authorization, execution, delivery and performance of this Lease Purchase Agreement;

(c) The execution and delivery of this Lease Purchase Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the Division a violation of, breach of, or default under any constitutional provision, statute, law, resolution, bond indenture or other financing agreement or any other agreement or instrument to which the Division is a party or by which the Division is bound, or any order, rule or regulation of any court or Governmental Authority or body having jurisdiction over the Division or any of its activities or properties with respect to the Facilities; and all consents, approvals or authorizations required of the Division for the consummation of the transactions contemplated hereby have been obtained or timely will be obtained;

(d) Other than that which was previously disclosed, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Division, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Lease Purchase Agreement;

(e) The Division will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Bonds to be included in gross income for federal income tax purposes;

(f) The Division agrees to use the Facilities for the Permitted Use and shall not use the Facilities for any other use. Neither the Division nor any Permitted Sublessee or assign of the Division shall sublease or otherwise allow any use by private business of any portion of the Facilities that, combined with any private use of the Facilities by any other person other than through the Division or its Permitted Sublessees or assigns, would equal more than 10% of the gross area of the Facilities. The Division agrees to take all action, to the extent it is legally authorized and able to do so, necessary to prevent the Bonds from being deemed "private activity bonds" within the meaning of Section 141 of the Code.

(g) The use of the Facilities is essential to the operation of the State by providing modern office facilities and parking facilities for use by employees of the State and its agencies in a central location. The Division presently intends to make all payments for use of the Facilities.

(h) The Facilities will be used to house only Permitted Sublessees for the purpose of performing one or more governmental functions of the State consistent with a Permitted Use and therefore the Division has an immediate need for, and expects to make use of, all of the Facilities, which need is essential to the governance of the State, is not temporary and is not expected to diminish prior to the expiration of the term of this Lease Purchase Agreement.

(i) The land described in Exhibit A is owned by the State and administered by the Office of Facility Planning and Control of the Division of Administration of the State.

SECTION 4. Representations and Covenants of the Corporation. The Corporation makes the following representations and covenants:

(a) The Corporation has been duly created and is currently validly existing under the Act and other laws of the State, has the power to enter into the transactions contemplated by, and to carry out its obligations under this Lease Purchase Agreement and will do or cause to be done all things necessary to keep the Corporation in existence and in good standing so long as necessary for the purposes thereof. The Corporation is not in breach of or in default under any of the provisions contained in any contract, instrument or agreement to which it is a party or in any other instrument by which it is bound. By proper action of its Board of Directors, the Corporation has been duly authorized to execute and deliver this Lease Purchase Agreement;

(b) The execution and delivery of this Lease Purchase Agreement and compliance with the provisions hereof will not conflict with or constitute on the part of the Corporation a violation of, breach of, or default under any statute, indenture, mortgage, declaration or deed of trust, loan agreement or other agreement or instrument to which the Corporation is a party or by which the Corporation is bound or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Corporation or any of its activities or properties; and all consents, approvals and authorizations which are required of the Corporation for the consummation of the transactions contemplated thereby and hereby have been or timely will be obtained;

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body pending or threatened against or affecting the Corporation, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transaction contemplated hereunder or which in any way would adversely affect the validity or enforceability of this Lease Purchase Agreement or any agreement or instrument to which the Corporation is a party;

(d) The Corporation will not take or permit to be taken any action which would have the effect, directly or indirectly, of causing interest on any of the Bonds to be included in gross income for federal income tax purposes.

SECTION 5. Waiver and Disclaimer of Warranties. The Division acknowledges that the Corporation has not made any representations or warranties as to the suitability or fitness of the Facilities for the needs and purposes of the Division or for any other purpose.

The Division further declares and acknowledges that the Corporation, in connection with this Lease Purchase Agreement, does not warrant that the Facilities will be, upon completion of construction, free from redhibitory or latent defects or vices, and releases the Corporation of any liability for redhibitory or latent defects or vices under Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695. The Division declares and acknowledges that it does hereby waive the warranty of fitness for intended purposes and guarantee against hidden or latent redhibitory defects and vices under Louisiana law, including Louisiana Civil Code Articles 2520 through 2548 and Louisiana Civil Code Article 2695, and the warranty imposed by Louisiana Civil Code Articles 2476 and 2695, and waives all rights in redhibition pursuant to Louisiana Civil Code Articles 2520, et seq. The Division further declares and acknowledges that this waiver has been brought to the attention of the Division and explained in detail and that the Division has voluntarily and knowingly consented to this waiver of warranty of fitness and/or warranty against redhibitory defects and vices for the Facilities.

The Corporation disclaims, and the Division waives, any warranties and representations with respect to compliance with Governmental Regulations, including Environmental Requirements, or the disposal of, or existence in, on, under, or about the Facilities of any Hazardous Substance. The Division acknowledges that the Corporation reserves in this Lease Purchase Agreement all rights to recover from the Division all costs and expenses imposed on the Corporation to bring the Facilities into compliance with any Environmental Requirement, and all costs of Remediation or cleanup of such Hazardous Substance imposed on the Corporation or the Division, which shall be payable by the Division as Additional Rental hereunder to the extent imposed upon the Corporation.

SECTION 6. Rental.

(a) The Division, for and in consideration of the Corporation constructing the Facilities in accordance with the Plans and Specifications and leasing the Facilities to the Division pursuant to the terms hereof, hereby covenants and agrees to pay the Base Rental and Additional Rental in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the total of the Rental payable under this Lease Purchase Agreement.

(b) The Division agrees to pay Base Rental from legally available funds. Payments of Base Rental shall be due on the dates and in the amounts as hereinafter provided:

(i) Semiannually, on each December 15 and June 15 during the term of this Lease Purchase Agreement, commencing December 15, 2025, or if such dates are not a Business Day, on the next succeeding Business Day, an amount equal to the sum of the principal of, premium, if any, and interest due and payable on the Bonds on January or July 1, as the case may be; and

(ii) On the dates required in the Indenture, into any of the funds established in the Indenture, an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

(c) In addition to the Base Rental set forth herein, the Division agrees to pay as Additional Rental any and all expenses, of every nature, character, and kind whatsoever, incurred by or on behalf of the Corporation and/or the Division in the management, operation, ownership, and/or maintenance of the Facilities (the "*Operating Expenses*"), including but not limited to the following costs and expenses:

- (i) all taxes, assessments and impositions against the Facilities, including without limitation ad valorem taxes attributed to the Corporation or the Division (and any tax levied in whole or in part in lieu of or in addition to ad valorem taxes);
- (ii) any costs incurred by the Corporation in maintaining the Facilities and making any alterations, restorations and replacements to the Facilities;
- (iii) any Default or Delay Rentals;
- (iv) all costs incurred by the Corporation in connection with its performance of its obligations relating to the Facilities;
- (v) all Administrative Expenses owed to the Corporation or the Trustee;
- (vi) litigation expenses, if any, incurred pursuant to Section 43 hereof;
- (vii) any reimbursement amounts payable pursuant to Section 20 hereof or pursuant to any other provision hereof;
- (viii) any other costs, charges, and expenses commonly regarded as ownership, management, maintenance, service and operating expenses, if any, incurred by the Corporation; and
- (ix) all amounts due to the Bond Insurer, not payable as a Base Rental, including, but not limited to, interest on Insurer Advances (as defined in the Indenture), Policy Costs (as defined in the Indenture) and amounts due pursuant to Section 11.4 of the Indenture.

Amounts constituting Additional Rental payable hereunder shall be paid by the Division directly to the person or persons to whom such amounts shall be due. The Division shall pay all such amounts when due or within ninety (90) days after notice in writing from the Trustee to the Division stating the amount of the Additional Rental then due and the purpose thereof.

(d) The Division shall be entitled to a credit against and reduction of each Base Rental payment in an amount equal to any amounts derived from the following sources:

- (i) Accrued interest derived from the sale of the Bonds;
- (ii) Surplus moneys (including investment earnings) contained in the Funds and Accounts held by the Trustee under the Indenture, including the Debt Service Fund;
- (iii) Advance payments or prepayments of Rental payments.

(e) Notwithstanding any other provision of the Lease Purchase Agreement, the obligation of the Division to make payments under this Lease Purchase Agreement, including payments of Base Rental and Additional Rental, shall be subject to, and dependent upon, appropriation of funds necessary to make the payments required under this Lease Purchase Agreement.

The Commissioner of Administration shall cause the Division to include in the Budget an amount sufficient to make the payments of Base Rental and Additional Rental described herein which amounts may or may not ultimately be appropriated by the Louisiana Legislature for such purpose. Subject to the foregoing and Section 29 hereof, the obligations of the Division to make payments pursuant to this Lease Purchase Agreement, and to perform and observe the other agreements and covenants on its part contained herein, shall be absolute and unconditional and shall not be subject to any diminution, abatement, set-off, or counterclaim. Subject to the foregoing and Section 29 hereof, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with this Lease Purchase Agreement, the Division shall not suspend or discontinue payment of Rental or any other payments pursuant to this Lease Purchase Agreement for any cause, and shall continue to perform and observe all of its agreements contained in this Lease Purchase Agreement. The Corporation and the Division acknowledge and agree that the obligation of the Division to pay Rental shall constitute a current expense of the Division payable by the Division from funds budgeted and appropriated for such purposes in accordance with law for and in consideration of the right to use the Facilities during the Term and that such obligation shall not in any manner be construed to be a debt of the Division in contravention of any constitutional or statutory limitations or requirements concerning indebtedness of the Division and nothing contained herein shall constitute a pledge, lien or encumbrance upon any specific tax or other revenues of the Division. In the event insufficient funds are appropriated in any Fiscal Year by the Legislature to pay all amounts necessary to allow the Division to make Rental payments hereunder in the full amounts due, the Division hereby covenants to submit a request to the Legislature for a supplemental appropriation to be effective within such Fiscal Year sufficient to equal any Rental payment shortfall.

(f) The payments of Base Rental and Additional Rental under this Lease Purchase Agreement for each Fiscal Year or portion thereof during the Term shall constitute the total Rental for such Fiscal Year or portion thereof and shall be paid by the Division for and in consideration of the construction by the Corporation of the Facilities and the right to the use and occupancy of the Facilities by the Division for and during such Fiscal Year or portion thereof.

(g) Amounts necessary to pay each Base Rental payment shall be deposited by the Division on the dates set forth in Section 6(b) hereof in lawful money of the United States of America at the office of the Trustee or at such other place or places as may be established by the Corporation and/or Trustee in accordance with the Indenture. Any amount necessary to pay any Base Rental payment or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the Division and the Corporation hereunder, the Division shall make all Rental payments when due and shall not withhold payment of any Rental pending the final resolution of such dispute or for any other reason whatsoever.

(h) This Lease Purchase Agreement is a triple net lease. The Division agrees that the Rental provided for herein shall be an absolute net return to the Corporation free and clear of any expenses, charges, taxes or set-offs whatsoever of any kind, character or nature; it being understood and agreed to by the Division that the Division shall bear responsibility for the payment of all costs and expenses associated with the ownership, management, operation, and maintenance of the Facilities. Under no circumstances will the Corporation be required to make any payment on the Division's behalf or for the Division's benefit under this Lease Purchase Agreement, or assume any monetary obligation of the Division under this Lease Purchase Agreement, or with respect to the Facilities.

(i) Rental payments which are paid late shall be made to the Trustee for application in accordance with the Indenture.

SECTION 7. Operation, Alterations, Maintenance, Repair, Replacement and Security Service.

(a) The Division shall be responsible for procuring and maintaining all services necessary or required in order to adequately operate the Facilities in accordance with the Permitted Use. The Division shall continuously operate each of the Facilities from their respective completion date and continuing for the remainder of the Term for the Permitted Use, and in accordance with all Governmental Regulations.

(b) The Division shall be responsible for maintaining the Facilities and shall make or contract with a suitable contractor selected in accordance herewith for the making of all alterations, repairs, restorations, and replacements to the Facilities, including without limitation the heating, ventilating, air conditioning, mechanical, electrical, elevators, plumbing, fire, sprinkler and theft systems, air and water pollution control and waste disposal facilities, structural roof, walls, and foundations, fixtures, equipment, and appurtenances to the Facilities as and when needed to preserve them in good working order, condition and repair (ordinary wear and tear excepted), regardless of whether such repairs, alterations, restorations or replacements are ordinary or extraordinary, foreseeable or unforeseeable, or are at the fault of the Division, the Corporation or some Other Party. All alterations, repairs, restoration, or replacements shall be of a quality and class equal to or better than the quality and class presently located in the Facilities.

(c) The Division shall have the right during the Term to make or construct any additions or improvements to the Facilities, alter the Facilities, attach fixtures, structures, or signs to or on the Facilities, and affix personal property to the Facilities without the Corporation's prior written consent to the extent allowed under the terms of any insurance covering the Facilities. All such alterations, improvements, additions, attachments, repairs, restorations, and replacements of all or any portion of the Facilities shall (i) be at the sole cost and expense of the Division; (ii) not reduce the then fair market value of the Facilities; (iii) be constructed in a good and workmanlike manner; and (iv) be in compliance with all Governmental Regulations.

(d) The Division shall provide or cause to be provided all security service, custodial service, janitorial service, trash disposal, and all other services necessary for the proper upkeep and maintenance of the Facilities as required herein. The Division acknowledges that the Corporation has made no representation or warranty with respect to systems and/or procedures for the security of the Facilities, any persons occupying, using or entering the Facilities, or any equipment, furnishings, or contents of the Facilities. It is the sole responsibility of the Division to provide for the security of persons on or entering the Facilities and/or property located at the Facilities, in accordance with reasonable and prudent business practices.

SECTION 8. Utilities. All utilities which are used or consumed in or upon or in connection with the Facilities during the Term, including, without limitation water, gas, electricity, sewerage, garbage, or trash removal, light, cable, heat, telephone, power, computer data and other utilities necessary for the operation of the Facilities (the "*Utility Service*") shall be the responsibility of the Division. Payments for Utility Services provided to the Facilities under such contract or contracts therefor as the Division may make shall be made by the Division directly to the respective utility companies furnishing such Utility Service.

The Corporation shall have no responsibility to the Division for the quality or availability of Utility Service to the Facilities, or for the cost to procure Utility Service. The Corporation shall not be in Default under this Lease Purchase Agreement or be liable to the Division or any other Person for direct or

consequential damage, or otherwise, for any failure in supply of any Utility Service, heat, air conditioning, elevator service, cleaning service, lighting, security, or for surges or interruptions of electricity.

SECTION 9. Insurance.

(a) The Division shall secure and maintain or cause to be secured and maintained at its sole cost and expense:

(i) A policy or policies covering the Facilities against loss or damage by fire, lightning, earthquake, collapse, vandalism and malicious mischief, flood and storm surge, and against such other perils as are included in so-called "extended coverage" and against such other insurable perils as, under good insurance practice, from time to time are insured for properties of similar character and location, which insurance shall be not less than the full replacement cost of the Facilities, without deduction for depreciation. In the event that the Facilities are not repaired or replaced, insurance proceeds in the event of self-insurance may be no greater than the actual cash value (replacement cost less depreciation) of the Facilities at the time of loss. The policy shall be adjusted to comply with any applicable co-insurance provisions of such insurance policy. Full payment of insurance proceeds shall not be contingent on the degree of damage sustained at other facilities leased by the Division. The policy or policies covering such loss must explicitly waive any co-insurance penalty.

(ii) A policy of comprehensive public liability insurance with respect to the Facilities and the operations related thereto, whether conducted on or off the Facilities, against liability for personal injury (including bodily injury and death) and property damage, of not less than \$5,000,000 in combined single limit liability coverage. Such comprehensive public liability insurance shall specifically include, but shall not be limited to, sprinkler leakage legal liability, water damage legal liability, and motor vehicle liability for all owned and non-owned vehicles, including rented or leased vehicles.

(iii) Boiler and machinery insurance coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus, but only if steam boilers, pressure vessels or similar apparatus are installed on the Facilities, in an amount not less than \$5,000,000, with deductible provisions not exceeding \$100,000 per accident.

(iv) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State to insure employers against liability for compensation under the Labor Code of the State, or any act hereafter enacted as an amendment thereto or in lieu thereof, such worker's compensation insurance to cover all persons employed by the Division in connection with the Facilities and to cover full liability for compensation under any such act aforesaid.

(b) The contractor constructing the Facilities to secure and maintain:

- (i) Comprehensive or Commercial General Liability insurance;
- (ii) Errors and Omissions insurance;
- (iii) Automobile Liability insurance;
- (iv) Worker's Compensation insurance;
- (v) an all Risk Builder's Policy upon the construction on the Property; and

- (vi) boiler and machinery or additional property insurance;

all as required by the terms of the construction contract(s) for the Facilities.

(c) Self-insurance may be acquired and maintained through the State of Louisiana Office of Risk Management (“ORM”), provided that:

- (i) the self insurance program be maintained on an actuarially sound basis; and

(ii) in the event that the self-insurance program is discontinued, the actuarial soundness of any successor insurance program be maintained.

(d) All insurance required in this Section and all renewals of such insurance (excepting self insurance or commercial insurance, through ORM) shall be issued by commercial insurers authorized to transact business in the State, and rated at least A by Best’s Insurance Reports (property/liability) or in the two highest rating categories of S&P and Moody’s. All insurance policies provided by the Division shall expressly provide that the policies shall not be canceled or altered without thirty (30) days’ prior written notice to the Division; and shall, to the extent obtainable, provide that no act or omission of the Corporation or Division that would otherwise result in forfeiture or reduction of the insurance will affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

(e) All policies of liability insurance that are required to be maintained according to the Agreement (other than any policy of worker’s compensation insurance) will name the Division, the Corporation, the Trustee and such other Persons or firms as the Corporation specifies from time to time as additional insureds. All public liability, property damage liability, and casualty policies maintained by the Board shall be written as primary policies.

(f) Original or copies of original policies (together with copies of the endorsements or certificates of insurance naming the Division, the Corporation, the Trustee and any others specified by the Corporation as additional insureds) will be delivered to the Division and the Corporation prior to the Division’s occupancy of the Facilities and from time to time at least 39 days prior to the expiration of their term of each policy. The Lessee shall also deposit with the Corporation appropriate evidence of payment of the premiums therefore as available.

(g) Proceeds of insurance received and/or the amount of any loss that is self-insured with respect to destruction of or damage to any portion of the Facilities by fire, earthquake or other casualty or event shall be paid to the Trustee (or, in the case of ORM insurance) to the Corporation for delivery in full to the Trustee) for application in accordance with the provisions of Section 11 of the Agreement and the Indenture.

(h) If the Facilities are self-insured, other than through the State of Louisiana, Office of Risk Management, the adequacy of such insurance shall be reviewed annually by an independent insurance consultant and the results of such review shall be sent to the Trustee, and the parties to the Agreement. If such review shows that the insurance coverage for the Facilities is inadequate, the insurance coverage shall be increased to the amount recommended by the insurance consultant.

SECTION 10. Condemnation, Casualty and Other Damage. The risk of loss or decrease in the enjoyment and beneficial use of the Facilities due to any damage or destruction thereof by acts of God,

fire, flood, natural disaster, the elements, casualties, thefts, riots, civil strife, lockout, war, nuclear explosion or otherwise (collectively "*Casualty*") or in consequence of any foreclosures, attachments, levies or executions; or the taking of all or any portion of the Facilities by condemnation, expropriation, or eminent domain proceedings (collectively "*Expropriation*") is expressly assumed by the Division. The Corporation and the Trustee shall in no event be answerable, accountable or liable therefor, nor shall any of the foregoing events entitle the Division to any abatements, set-offs or counter claims with respect to its Base Rental, Additional Rental or any other obligation hereunder.

SECTION 11. Application of Insurance Proceeds; Condemnation Award.

(a) If during construction, all or any portion of the Facilities is damaged or destroyed by a Casualty, or is taken by Expropriation proceedings, the Corporation shall, upon receipt of notice from the Division instructing the Corporation to do so, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. Following the completion of construction and acceptance of the Facilities by the Division on behalf of the Corporation, the Division shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted, the repair, restoration, or replacement thereof. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in trust (or in the case of self insurance through ORM, as set forth in paragraph (b) below), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee in accordance with the terms of the Indenture.

(b) The Division may only decide not to repair, restore or replace the Facilities with proceeds of any insurance and any additional funds deposited with the Trustee, if such funds or such funds combined with other funds appropriated by the Legislature or as may otherwise be available ("*Available Funds*") to redeem Outstanding Bonds. The Commissioner of Administration shall request a supplemental line-item appropriation by the Legislature to provide the balance required to permit the repair, restoration or replacement of the Facilities; or in the event that the Division determines not to repair, restore or replace the Facilities, the Commissioner shall require the balance of funds required for the redemption of the Bonds in accordance with the terms of the Indenture and the Agreement shall terminate.

(c) In the event that ORM insures the Facilities, the Division shall cause the Corporation to use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively,

production of invoices paid by the Division to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

SECTION 12. Encumbrances.

(a) The Division shall pay or cause to be paid all costs and charges for alterations, improvements, additions, repairs and maintenance (the “*Work*”) (i) done by the Division or caused to be done by the Division in or to the Facilities, and (ii) for all materials furnished for or in connection with such Work. The Corporation reserves all rights to collect for any loss or damage sustained or incurred by the Corporation resulting from any and all Encumbrances, demands or liabilities arising on account of the Work, which shall be payable by the Division as Additional Rent hereunder.

(b) If the Division fails to pay any charge for which an Encumbrance has been filed, and the Facilities or any portion thereof is placed in imminent danger of being seized, the Corporation may, but shall not be obligated to, pay such charge and related costs and interest, and the amount so paid, together with reasonable Legal Expenses incurred in connection with such Encumbrance, will be immediately due from the Division to the Corporation as Additional Rental. Nothing contained in this Lease Purchase Agreement will be deemed the consent or agreement of the Corporation to subject the Corporation’s interest in the Facilities to liability under any Encumbrance, or any mechanics’, materialman’s or other lien law. If the Division receives written notice that an Encumbrance has been or is about to be filed against the Facilities, or that any action affecting title to the Facilities has been commenced on account of Work done by or for the Division or for materials furnished to or for the Division, it shall immediately give the Corporation notice of such event.

(c) At least 15 days prior to the commencement of any Work in or to the Facilities, by or for the Division, the Division shall give the Corporation notice of the proposed Work and the names and addresses of the Persons supplying labor and materials for the proposed Work. The Corporation will have the right to post notices of nonresponsibility or similar written notices on the Facilities in order to protect the Facilities against any such claimants.

SECTION 13. Assignment and Sublease.

(a) Neither this Lease Purchase Agreement nor any interest of the Division herein shall be mortgaged, pledged, assigned or transferred by the Division by voluntary act or by operation of law, or otherwise; provided, however, the Division may sublease all or any portion of the Facilities, or grant concessions involving the use of all or any portion of the Facilities, whether such concessions purport to convey a leasehold interest or a license to use all or a portion of the Facilities to any Permitted Sublessee. The Division shall, however, at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Lease Purchase Agreement (including, without limitation, the payment of Base Rental and Additional Rental), notwithstanding any subletting or granting of concessions which may be made. Other than subleases to Permitted Sublessees, in no event will the Division sublease or permit the use of all or any part of the Facilities to any person without an opinion of Bond Counsel that such will not cause interest on the Bonds to be included in the gross income of the owners of the Bonds for federal income tax purposes.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest in and to this Lease Purchase Agreement, including without limitation its right to receive Base Rental payable hereunder, to the Trustee pursuant to the Indenture. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith. Anything required or

permitted to be done by the Corporation under this Lease Purchase Agreement may be done by the Trustee under the Indenture.

(c) Except as set forth in Section 13(b) the Corporation shall not sell or assign its interest in the Facility or this Lease Purchase Agreement without the prior written consent of the Division.

SECTION 14. Additions and Improvements Removal.

(a) All alterations, fixtures, improvements, and additions made to, in, or on the Facilities, and all equipment placed upon the Facilities, which are incorporated into or made component parts of the Facilities shall immediately become the property of the Corporation, unless the Corporation specifically disclaims ownership of such in writing by notice delivered to the Division. At the expiration of the Term, or termination of this Lease Purchase Agreement, all such alterations, improvements, additions, fixtures, and equipment shall remain on the Facilities without compensation to the Division, unless the Corporation advises the Division in writing that such alterations, fixtures, improvements, additions, and equipment must be removed. In such event, the Division shall remove the same at its sole cost and expense, and repair any damage to the Facilities caused by such removal.

(b) Title to all property, furniture, equipment, fixtures, and other property installed at or placed upon the Facilities by the Division which is not incorporated into or made a component part of the Facilities shall remain the property of the Division. The Division may add to or remove such property from time to time, and upon expiration of the Term, provided that the Division repairs any damage to the Facilities caused by such removal.

SECTION 15. Right of Entry. Representatives of the Corporation shall, subject to reasonable security precautions, and upon giving the Division not less than 24 hours advance notice, have the right to enter upon the Facilities during reasonable business hours (and in emergencies without notice and at all times) accompanied by a Division Representative (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Corporation under this Lease Purchase Agreement, or (iii) for all other lawful purposes.

SECTION 16. Mortgage Prohibition. Except for the Indenture and the Assignment, the Corporation shall not be entitled to mortgage, pledge or grant a security interest in the Facilities or any of the revenues derived therefrom.

SECTION 17. Reserved.

SECTION 18. Quiet Enjoyment. The Corporation covenants that the Division, on paying the Rental and performing and observing all of the covenants and agreements herein contained and provided to be performed by the Division, shall and may peaceably and quietly have, hold, occupy, use, and enjoy the Facilities during the Term and may exercise all of its rights hereunder; and the Corporation agrees to warrant and forever defend the Division's right to such occupancy, use, and enjoyment and the title to the Facilities against the claims of any and all persons whomsoever lawfully claiming the same, or any part thereof subject only to the provisions of this Lease Purchase Agreement.

SECTION 19. Environmental Compliance and Indemnity.

(a) The Division shall operate the Facilities in compliance with all Environmental Requirements continuously during the Term, and for such periods of time prior to the Commencement

Date and after the Expiration Date, as long as the Division is in possession of the Facilities, in whole or in part. The Division shall not cause or permit any Hazardous Substance to be brought upon, kept, or used in or about the Facilities by the Division, except for such Hazardous Substance as is necessary or useful to the operation of the Facilities.

(b) If the Division fails to comply with any of the foregoing warranties, representations, and covenants, and removal or Remediation of any Hazardous Substance found on the Facilities is required by Environmental Requirements or Governmental Authority, the Division shall promptly undertake the removal or Remediation of such Hazardous Substance, at the Division's sole cost and expense. In the event the Division fails or refuses to undertake such removal or Remedial actions, the Corporation may cause the removal or Remediation (or other cleanup reasonable acceptable to the Corporation) of any such Hazardous Substance from the Facilities. The reasonable costs of removal, Remediation, or any other cleanup (including transportation and storage costs) will be considered as Additional Rental under this Lease Purchase Agreement, whether or not a court has ordered the cleanup, and those costs will become due and payable within 90 days of written demand by the Corporation. In connection therewith, the Division will give the Corporation, its agents, and employees access to the Facilities to remove, remediate, or otherwise clean up any Hazardous Substance. The Corporation, however, has no affirmative obligation to remove, remediate, or otherwise clean up any Hazardous Substance, and this Lease Purchase Agreement will not be construed as creating any such obligation. The Division hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage, and disposal of any Hazardous Substance located in or about the Facilities by the Division.

SECTION 20. The Corporation Reservation of Rights.

(a) The Corporation hereby reserves all of its rights to recover from the Division for any and all Claims asserted against the Corporation, including Litigation Expenses arising out of or by reason of:

(i) any injury to or death of any person or damage to property occurring on or about the Facilities occasioned by or growing out of or arising or resulting from any tortious or negligent act on the part of the Division in connection with the operation and management of the Facilities; or

(ii) any failure, breach, or default on the part of the Division in the performance of or compliance with any of the obligations of the Division under the terms of this Lease Purchase Agreement.

(b) Notwithstanding the fact that it is the intention of the parties that the Corporation shall not incur any pecuniary liability by reason of the terms of this Lease Purchase Agreement or the undertakings required of the Corporation hereunder, nevertheless, if the Corporation should incur any such pecuniary liability, then in that event, the Corporation shall be entitled to assert all rights and remedies granted in law or in equity to recover from the Division the amount of any pecuniary liability incurred by the Corporation, plus all Litigation Expenses incurred in defense of such liability to the extent subject to indemnification pursuant to Subsection (a) above.

(c) No recourse shall be had for the enforcement of any obligation, covenant, or agreement of the Corporation contained in this Lease Purchase Agreement or any Claim based thereon against the Corporation or of any successor thereto or member thereof, either directly or through the Corporation whether by virtue of any constitutional provision, statute, or rule of law. This Lease Purchase Agreement and the obligations of the Corporation thereunder, and any Claim asserted against the Corporation are solely corporate obligations, and the enforcement of any obligation or Claim shall be limited solely to the Corporation's interest in the Facilities. No personal liability shall attach to, or be incurred by, any officer,

director, agent, employee or member of the Corporation and the Division acknowledges that all personal liability of any character against every such officer, director, agent, employee or member by the execution of this Lease Purchase Agreement, is expressly waived and released. The immunity of any officer, director, agent, employee or member of the Corporation under the provisions contained in this Section 20 shall survive any acquisition of the Facilities by the Division and the expiration or other termination of this Lease Purchase Agreement.

SECTION 21. Default by the Division. If a valid appropriation of funds for such purposes has been made by the Louisiana Legislature and (i) the Division shall fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 6 hereof by the close of business on the day such deposit is required pursuant to Section 6 hereof, and shall fail to remedy such breach within five (5) days thereof, but in no event later than the date on which such payment is required to enable the Corporation to make payment on the Bonds, or (ii) the Division shall fail to pay or discharge any monetary obligation under this Lease (other than the payment of Base Rental), including payment of Additional Rental, as and when due, or within 30 days after receipt of written notice from the Corporation that such sums are due and owing; or (iii) the Division shall breach any non-monetary terms, covenants or conditions herein, and shall fail to remedy any such breach within thirty (30) days (or such longer period as the Trustee may approve) of its receipt of written notice thereof from the Corporation to the Division, then and in any such event the Division shall be deemed to be in default hereunder, and the Corporation shall have the right, at its option, without any further demand or notice to terminate this Lease Purchase Agreement on the earliest date permitted by law or on any later date specified in any notice given to the Division, in which case the Division's right to possession of the Facilities will cease and this Lease Purchase Agreement will be terminated, without, however, waiving the Corporation's right to collect all Rental and other payments due or owing for the period up to the time the Corporation regains possession (which have been appropriated for payment to the Corporation under this Lease Purchase Agreement, but not paid to the Corporation), and to enforce other obligations of the Division which survive termination of this Lease Purchase Agreement, and in such event the Corporation may without any further demand or notice re-enter the Facilities and eject all parties in possession thereof. The foregoing remedies of the Corporation are in addition to and not exclusive of any other remedy of the Corporation. Any such re-entry shall be allowed by the Division without hindrance, and the Corporation shall not be liable in damages for any such re-entry or be guilty of trespass. The Corporation understands and agrees that upon its termination of the Division's right to possession of the Facilities or termination of this Lease Purchase Agreement, the Corporation upon its re-entry of the Facilities shall only be allowed to use the Facilities for the Permitted Use and shall be subject to all applicable Governmental Regulations heretofore or hereafter enacted by any Governmental Authority relating to the use and operation of the Facilities.

Notwithstanding any other provision of this Lease Purchase Agreement, in no event shall the Corporation have the right to accelerate the payment of any Base Rental payment hereunder.

Notwithstanding anything contained in this Section 21 to the contrary, a failure by the Division to pay when due any payment required to be made under this Lease Purchase Agreement or a failure by the Division to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease Purchase Agreement, resulting from a failure by the Louisiana Legislature to appropriate moneys shall not constitute an Event of Default under this Section 21 and the Corporation shall not have any of the remedial rights set forth in this Section 21. Provided, however, in such event the Division acknowledges that the Lease Purchase Agreement shall terminate and the Division shall immediately vacate the Facilities, and deliver the Facilities to the Corporation. In such event, the Bond Insurer shall have the right to control all remedies for default under this Lease Purchase Agreement and the Indenture.

SECTION 22. Cumulative Remedies. Each right and remedy provided for in this Lease Purchase Agreement is cumulative and is in addition to every other right or remedy provided for in this Lease Purchase Agreement or now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Corporation of any one or more of the rights or remedies provided for in this Lease Purchase Agreement or now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by the Corporation of any or all other rights or remedies provided for in this Lease Purchase Agreement or now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by the Corporation in collecting any amounts and damages owing by the Division pursuant to the provisions of this Lease Purchase Agreement or to enforce any provision of this Lease Purchase Agreement, including reasonable Litigation Expenses from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by the Corporation, will also be recoverable by the Corporation from the Division. The waiver by the Corporation of any breach by the Division and the waiver by the Division of any breach by the Corporation of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

SECTION 23. Option to Purchase. For and in consideration of the obligations of the Division under the Lease Purchase Agreement, the mutual undertakings of the parties, the receipt and adequacy of which is hereby acknowledged, the Corporation grants to the Division an exclusive and irrevocable option to purchase, for the price and on the terms, provisions, stipulations and conditions hereinafter set forth, all, but not less than all, of the Facilities.

(a) *Effective Date*. The effective date of this Option agreement shall be the Commencement Date.

(b) *Term of Option*. The Option shall expire at midnight Central Time, on the Expiration Date, or upon the termination of the Lease Purchase Agreement, whichever occurs first.

(c) *Limitation on Exercise of Option*. The Division may not exercise the Option, and the Option shall be voidable, at the sole election of the Corporation, if a Default by the Division has occurred and is continuing under the Lease Purchase Agreement, and the applicable time period in which the Division may cure such default has expired. Notwithstanding any provision of this Option to the contrary, the Division shall be entitled to exercise the Option as long as the Division is legally obligated to make payments of Base Rental under the Lease Purchase Agreement.

(d) *Exercise of Option*. The Division may exercise the Option herein granted at any time on or before expiration of the Term, on any Interest Payment Date on or after first date the Bonds can be redeemed pursuant to Section 3.4(d) of the Indenture or on the date the bonds are defeased pursuant to Article 12 of the Indenture, by written notice to the Corporation of its election to exercise the Option and purchase the Facilities given not less than 60 days prior to the date on which the Division desires to purchase the Facilities.

(e) *Purchase Price*. The Purchase Price for the Facilities shall be equal to the principal of all Bonds then Outstanding plus the interest to accrue on such Bonds until the purchase date, any prepayment premium or penalties, charges or costs for early prepayment of the Bonds and any Administrative Expenses prior to the purchase date.

(f) *Effect on Lease Purchase Agreement.* Upon the purchase of the Facilities by the Division pursuant to this Option, this Lease Purchase Agreement shall terminate.

(g) *Payment of Purchase Price.* The Division, concurrently with the giving of notice of its intention to exercise the Option herein granted, shall deposit an amount equal to the purchase price with the Trustee.

(i) *Conveyance.* In the event of and upon the payment of the Purchase Price and any other sums due under this Agreement by the Division, the Corporation will, on the purchase date, execute and deliver to the Division an act translatif of title to the Facilities.

(ii) *Assignment of Contract Rights and Obligations.* The conveyance of title to the Facilities shall also effect a transfer and assignment of all liability of the Corporation under then existing contracts of any nature with respect to ownership of the Facilities, including any leases of any portion of the Facilities to Other Parties.

(h) *Closing.* In the event the Option is timely exercised, notice of the Division's election to the Corporation shall constitute an irrevocable conversion of the Option into a binding obligation of the Corporation to sell the Facilities and the Division to buy the Facilities under the terms and conditions set forth in this Section 23, and in such event, the Corporation and the Division shall have the right to demand specific performance of this agreement by the other. The closing shall occur within 60 days of the exercise by the Division of the Option at the offices of the Division or its counsel, or at such other time, place, and date as agreed upon by the Corporation and the Division.

(i) *Closing Costs.* The Division shall pay all closing costs and charges incident to the conveyance of the Facilities.

(j) *No Warranty.* The Corporation shall convey title to the Facilities without any warranty whatsoever of any nature. The conveyance of the Facilities shall be without any warranty as to fitness and condition, as set forth in Section 5 of this Lease Purchase Agreement. Language substantially similar to the language contained in Section 5 of this Lease Purchase Agreement shall be incorporated into and made a part of the act translatif of title. In no event shall the Corporation be responsible for any defects in title to the Facilities.

(k) *Default:*

(i) In the event the Option is exercised, and the Corporation fails to consummate the transactions contemplated herein for any reason, except default by the Division or the failure of the Division to satisfy any of the conditions set forth herein, the Division may, in addition to any other rights and remedies which may otherwise be available to the Division, enforce this agreement by specific performance. The Division's remedies under this Section are expressly subject to the provisions of Section 30 of this Lease Purchase Agreement.

(ii) In the event the Option is exercised, and the Division fails to consummate the transactions contemplated herein for any reason, except default by the Corporation or the failure of the Corporation to satisfy any of the conditions set forth herein, the Corporation (a) may enforce this agreement by specific performance and in such action shall have the right to recover damages suffered by reason of the Division's delay in acquiring the Facilities; or (b) may bring suit for damages for breach of this agreement.

(iii) No delay or omission in the exercise of any right or remedy accruing to either party upon any breach by the other party under this agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by either party of any condition or any subsequent breach of the same or any other term, covenant or condition herein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained.

(l) *Attorney's Fees.* Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this agreement, or to recover damages for the breach of this agreement, the party prevailing in any final judgment shall have the right to collect from the losing party all reasonable attorney's fees and other costs and expenses incurred in enforcing such rights.

(m) *Notices.* Any notices required or permitted hereunder shall be in writing and delivered either in person to the other party, or the other party's authorized agent, or by United States Certified Mail, return receipt requested, postage prepaid, to the address set forth in Section 50 of this Lease Purchase Agreement, or to such other address as either party may designate in writing and delivered as herein provided.

(n) *Assignability.* The Option may not be assigned by the Corporation or the Facilities sold (subject to the Option or otherwise) to any person or entity without the Division's prior written consent, which consent may be withheld by the Division in its sole discretion.

(o) *Brokerage Commission.* The Corporation and the Division mutually warrant to one another that neither has incurred the services of a broker, realtor, or other person in the negotiation or confection of this Option.

(p) *Time of Essence:* Time is of the essence of this Option.

(q) *Binding Effect:* This Option shall be binding upon and shall inure to the benefit of the parties hereto and their heirs, successors and assigns.

SECTION 24. Severability. If any provisions of this Lease Purchase Agreement shall be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable, to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections contained in this Lease Purchase Agreement shall not affect the remaining portions of this Lease Purchase Agreement, or any part thereof.

SECTION 25. Redemption of Bonds. The Corporation agrees that it will not exercise its option to redeem any Bonds pursuant to the Indenture unless the Division consents to such redemption or such redemption is to be effected with moneys derived from a source other than payments made by the Division under this Lease Purchase Agreement, however, in no event shall the mandatory redemption of any Bonds pursuant to the Indenture require the consent of the Division. The Corporation further agrees that, if requested by the Division, it will take all actions necessary to redeem all or any portion of the

Bonds designated by the Division on the first date that it may do so under the terms of the Indenture so long as the Division agrees to provide funds in an amount, and at the time, required to effect such redemption.

SECTION 26. Additional Bonds. Upon the request and at the expense of the Division, the Corporation shall take action as may be required to effect the issuance of Additional Bonds in such amount as the Division may request as permitted by and in accordance with the provisions of the Indenture for any purpose permitted thereby.

SECTION 27. Execution. This Lease Purchase Agreement may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Lease Purchase Agreement.

SECTION 28. Law Governing. This Lease Purchase Agreement is made in the State under the Constitution and laws of the State and is to be governed by the laws of the State.

SECTION 29. Nonappropriation of Funds. In the event no funds or insufficient funds are lawfully appropriated in any Fiscal Year enabling the payment of Base Rental and Additional Rental payments due during the next succeeding Fiscal Year, the Division will immediately notify the Corporation of such occurrence. On the first day of the month following the Base Rental payment date on which the last payment of Base Rental can be made in full from lawfully appropriated funds, this Lease Purchase Agreement shall terminate without penalty or expense to the Division of any kind whatsoever, except as to the portions of Base Rental and Additional Rental payments herein agreed upon for Fiscal Years for which sufficient funds have been lawfully appropriated. In the event of such termination, the Division agrees peaceably to surrender possession of the Facilities to the Corporation on the date of such termination in its original condition (normal wear and tear excepted). The Corporation, acting at the direction of the Bond Insurer, will have all legal and equitable rights and remedies to take possession of the Facilities and re-let or sell the Facilities as the Corporation, acting at the direction of the Bond Insurer, determines and as granted in this Lease Purchase Agreement. The Division acknowledges that the Corporation's rights to take possession and to re-let or sell the Facilities under this Section 29 may be assigned to the Trustee for the benefit of the owners of the Bonds, and the Division agrees that the Trustee shall be entitled to exercise all of the rights of the Corporation under this Section 29. The event of an inability by the Division to cause the appropriation of sufficient funds for the payment of sums due under this Lease Purchase Agreement shall not constitute a default hereunder, but shall ipso facto terminate this Lease Purchase Agreement. This provision is operative notwithstanding any provisions of this Lease Purchase Agreement to the contrary. The Division shall be considered in default hereunder if sufficient funds are lawfully appropriated for the payment of Rental required under this Lease Purchase Agreement and the Division fails to make the payments of Rental required hereunder. In such event, the Corporation shall be entitled to the rights and remedies set forth in Section 21 hereof. For the avoidance of doubt, the Bond Insurer shall have the right to control all remedies for default under this Lease Purchase Agreement and under the Indenture.

SECTION 30. Exculpatory Provision. In the exercise of the powers of the Corporation and its trustees, officers, employees and agents under this Lease Purchase Agreement and the Indenture, the Corporation shall not be accountable or liable to the Division (i) for any actions taken or omitted by it or its officers, employees or agents in good faith and believed by it or them to be authorized or within their discretion or rights or powers conferred upon them, or (ii) for any claims based on this Lease Purchase Agreement against any officer, employee or agent of the Corporation in his or her personal capacity, all such liability, if any, being expressly waived by the Division by the execution of this Lease Purchase

Agreement. Nothing in this Lease Purchase Agreement or the Indenture is intended to require or obligate, nor shall anything herein or therein be interpreted to require or obligate, the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than the funds derived from the issuance of the Bonds under the Indenture and moneys derived pursuant to the Indenture and this Lease Purchase Agreement.

The Division specifically agrees to look solely to the Corporation's interest in the Facilities for the recovery of any judgments from the Corporation. It is agreed that the Corporation will not be personally liable for any such judgments, or incur any pecuniary liability as a result of this Lease Purchase Agreement to the Division, or the breach of its obligations hereunder. The Corporation's liability under this Lease Purchase Agreement is "in rem" as to its interest in the Facilities. The provisions contained in the preceding sentences are not intended to and will not limit any right that the Division might otherwise have to obtain injunctive relief against the Corporation or relief in any suit or action in connection with enforcement or collection of amounts that may become owing or payable under or on account of insurance maintained by the Corporation.

SECTION 31. Amendments. This Lease Purchase Agreement may be amended only as permitted in Article 10 of the Indenture.

SECTION 32. Recording. The Corporation covenants and agrees that it will promptly record and from time to time re-record this Lease Purchase Agreement, the Indenture and any UCC Financing Statements and all supplements thereto and hereto in such manner and in such places as may be required by law in order to fully protect and preserve the security of the holders or owners of the Bonds.

SECTION 33. No Construction Against Drafting Party. The Corporation and the Division acknowledge that each of them and their counsel have had an opportunity to review this Lease Purchase Agreement and therefore, in case of any ambiguity, shall be no construction of the ambiguous provision against either party hereto.

SECTION 34. Time of the Essence. Time is of the essence of each and every provision of this Lease Purchase Agreement.

SECTION 35. No Waiver. The waiver by the Corporation of any agreement, condition, or provision contained in this Lease Purchase Agreement will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease Purchase Agreement, nor will any custom or practice that may grow up between the parties in the administration of the terms of this Lease Purchase Agreement be construed to waive or to lessen the right of the Corporation to insist upon the performance by the Division in strict accordance with the terms of this Lease Purchase Agreement. The Corporation shall not waive any breach by the Division relating to the payment of Base Rental or Additional Rental without the written consent of the Trustee. The subsequent acceptance of Rental by the Corporation will not be deemed to be a waiver of any preceding breach by the Division of any agreement, condition, or provision of this Lease Purchase Agreement, other than the failure of the Division to pay the particular Rental so accepted, regardless of the Corporation's knowledge of such preceding breach at the time of acceptance of such Rental.

SECTION 36. Survival. To the extent permitted by law and to the extent such will not constitute the inurrence of debt by the Division, all of the Corporation's remedies and rights of recovery under Sections 19 and 20 of this Lease Purchase Agreement shall survive the Term and/or the purchase of the Facilities by the Division under the Option.

SECTION 37. Counterparts. This Lease Purchase Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall together constitute one and the same instrument.

SECTION 38. Estoppel Certificates. At any time and from time to time, but within 10 days after prior written request by the Corporation, the Division will execute, acknowledge, and deliver to the Corporation, promptly upon request but only to the extent accurate, a certificate certifying (i) that this Lease Purchase Agreement is unmodified and in full force and effect or, if there have been modifications, that this Lease Purchase Agreement is in full force and effect, as modified, and stating the date and nature of each modification; (ii) the date, if any, to which Rental and other sums payable under this Lease Purchase Agreement have been paid; (iii) that no notice of any default has been delivered to the Corporation which default has not been cured, except as to defaults specified in said certificate; (iv) that there is no Event of Default under this Lease Purchase Agreement or an event which, with notice or the passage of time, or both, would result in an Event of Default under this Lease Purchase Agreement, except for defaults specified in said certificate; and (v) such other matters as may be reasonably requested by the Corporation. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee of the Facilities or any part thereof. The Division's failure to notify the Corporation of any inaccuracies in the proposed certificate within the specified time period shall be conclusive evidence that the matters set forth in the certificate are accurate and correct.

SECTION 39. Waiver of Jury Trial. The Corporation and the Division waive trial by jury in any action, proceeding, or counterclaim brought by either of the Parties to this Lease Purchase Agreement against the other on any matters whatsoever arising out of or in any way connected with this Lease Purchase Agreement, the relationship of the Corporation and the Division, the Division's use or occupancy of the Facilities, or any other Claims, and any emergency statutory or any other statutory remedy.

SECTION 40. Written Amendment Required. No amendment, alteration, modification of, or addition to, the Lease Purchase Agreement will be valid or binding unless expressed in writing and signed by the Corporation and the Division and approved pursuant to Article 10 of the Indenture.

SECTION 41. Entire Agreement. This Lease Purchase Agreement, the exhibits and addenda, if any, contain the entire agreement between the Corporation and the Division. No promises or representations, except as contained in this Lease Purchase Agreement, have been made to the Division respecting the condition or the manner of operating the Facilities.

SECTION 42. Signs. The Division may attach any sign on any part of the Facilities, or in the halls, lobbies, windows, or elevator banks of the Facilities, without the approval of the Corporation. The Division may name the Facilities and change the name, number, or designation of the Facilities, without the Corporation's prior consent.

SECTION 43. Litigation Expenses. The Division will pay the Corporation as Additional Rental all reasonable Litigation Expenses and all other reasonable expenses which may be incurred by the Corporation in enforcing any of the obligations of the Division under this Lease Purchase Agreement, in exercising its rights to recover against the Division for loss or damage sustained in accordance with the provisions of this Lease Purchase Agreement, or in any litigation or negotiation in which the Corporation shall, without its fault, become involved through or because of this Lease Purchase Agreement.

SECTION 44. Brokers. The Corporation and the Division respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to the Facilities.

SECTION 45. No Easements for Air or Light. Any diminution or shutting off of light, air, or view by any structure that may be erected on any of the lands constituting the Facilities, or on lands adjacent to the Facilities, will in no way affect this Lease Purchase Agreement or impose any liability on the Corporation. This Lease Purchase Agreement does not grant any rights to light, view and/or air over the Facilities whatsoever.

SECTION 46. Binding Effect. The covenants, conditions, and agreements contained in this Lease Purchase Agreement will bind and inure to the benefit of the Corporation and the Division and their respective heirs, distributees, executors, administrators and permitted assignees and designees.

SECTION 47. Rules of Interpretation. The following rules shall apply to the construction of this Lease Purchase Agreement unless the context requires otherwise: (a) the singular includes the plural and the plural includes the singular; (b) words importing any gender include the other genders; (c) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute to which reference is made and all regulations promulgated pursuant to such statutes; (d) references to "writing" include printing, photocopy, typing, lithography and other means of reproducing words in a tangible visible form; (e) the words "including", "includes" and "include" shall be deemed to be followed by words "without limitation"; (f) references to the introductory paragraph, preliminary statements, articles, sections (or subdivision of sections), exhibits, appendices, annexes or schedules are to those of this Lease Purchase Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments; (h) references to Persons include their respective successors and assigns to the extent successors or assigns are permitted or not prohibited by the terms of this Lease Purchase Agreement; (i) any accounting term not otherwise defined has the meaning assigned to it in accordance with generally accepted accounting principles; (j) "or" is not exclusive; (k) provisions apply to successive events and transactions; (l) references to documents or agreements which have been terminated or released or which have expired shall be of no force and effect after such termination, release, or expiration; (m) references to mail shall be deemed to refer to first-class mail, postage prepaid, unless another type of mail is specified; (n) all references to time shall be to Baton Rouge, Louisiana time; (o) references to specific persons, positions, or officers shall include those who or which succeed to or perform their respective functions, duties, or responsibilities; and (p) the terms "herein", "hereunder", "hereby", "hereof," and any similar terms refer to this Lease Purchase Agreement as a whole and not to any particular articles, section or subdivision hereof.

SECTION 48. Relationship of Parties. The relationship of the Parties shall be one of lessor and lessee only, and shall not be considered a partnership, joint venture, license arrangement or unincorporated association.

SECTION 49. Law Between the Parties. This Lease Purchase Agreement shall constitute the law between the Parties, and if any provision of this Lease Purchase Agreement is in conflict with the provisions of "Title IX - Of Lease" of the Louisiana Civil Code, Articles 2669 through 2777, inclusive, the provisions of this Lease Purchase Agreement shall control.

SECTION 50. Notices. All notices, filings and other communications shall be in writing and shall be sufficiently given and served upon the other parties if delivered by hand directly to the persons at the addresses set forth below, or shall be sent by first class mail, postage prepaid, addressed as follows:

The Corporation:	Office Facilities Corporation 1201 North Third Street Baton Rouge, Louisiana 70802 Attention: President
The Division:	Commissioner of Administration, State of Louisiana 1201 North Third Street Baton Rouge, Louisiana 70802
Trustee:	Hancock Whitney Bank 445 North Boulevard, Suite 201 Baton Rouge, Louisiana 70802 Attention: Elizabeth H. Zeigler

SECTION 51. Continuing Disclosure. The Corporation and the Division hereby covenant and agree that they will execute their respective Continuing Disclosure Certificates in substantially the forms attached to the Official Statement dated [July __, 2025] relative to the Bonds and that they will comply with and carry out all of their duties thereunder, provided any failure to do so shall not constitute a default hereunder but shall be subject to Section 3.14 of the Indenture.

SECTION 52. Bond Insurance Related Provisions.

(a) Any sale, substitution, release, transfer, lease, assignment, mortgage or encumbrance with respect to the Facilities under this Lease Purchase Agreement shall be subject to the prior written consent of AG.

(b) The Bond Insurer is a third party beneficiary of this Lease Purchase Agreement.

(c) This Lease Purchase Agreement shall not be amended, supplemented, modified, or any provision therein waived without the prior written consent of AG.

(d) The Division hereby covenants and agrees, to the extent it may lawfully do so, that so long as any of the Bonds remain outstanding and unpaid, the Division will not exercise the power of condemnation with respect to the Facilities. The Division further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the Division should fail or refuse to abide by such covenant and condemns the Facilities, the appraised value of the Facilities shall not be less than the greater of (i) if such Bonds are then subject to redemption, the principal and interest components of the Bonds outstanding through the date of their redemption, or (ii) if such Bonds are not then subject to redemption, the amount necessary to defease such Bonds to the first available redemption date in accordance with the Indenture.

(e) The Division shall pay or reimburse the Bond Insurer, as the Additional Rental, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related

Document; (ii) the pursuit of any remedies under the Indenture or other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to any Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of any Related Document.

(f) The Division may only contest taxes, assessments, utility and other such charges with respect to the Facilities upon notice to the Bond Insurer and must pay such taxes, assessments, utility and other charges if requested to do so by the Bond Insurer.

(g) The Bond Insurer shall be provided with the following information by the Division:

(i) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the Division's continuing disclosure agreement, covenant or undertaking with respect to the Bonds (together with a certification of the Division that it is not aware of any default or Event of Default under this Lease Purchase Agreement), and, upon request, the Division's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of the commencement of any proceeding by or against the Division commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(iii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(iv) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents; and

(v) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.

(h) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(i) The Division will permit the Bond Insurer to discuss the affairs, finances and accounts of the Division or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Division and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Division on any business day upon reasonable prior notice.

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IN WITNESS WHEREOF, the undersigned representative has signed this Lease Purchase Agreement on behalf of the Division of Administration on the ____ day of July __, 2025, but dated effective as of July 1, 2025.

WITNESSES:

STATE OF LOUISIANA,
Acting through the
Division of Administration

By: _____
Taylor F. Barras, Commissioner

NOTARY PUBLIC

IN WITNESS WHEREOF, the undersigned representative has signed this Lease Purchase Agreement on behalf of the Office Facilities Corporation on the _____ day of July, 2025, but dated effective as of July 1, 2025.

OFFICE FACILITIES CORPORATION

By: _____
Roger Husser, Secretary

WITNESSES:

NOTARY PUBLIC

EXHIBIT A

LEGAL DESCRIPTION OF LAND AND DESCRIPTION OF FACILITIES

All of Lots One (1), Two (2), Three (3), Four (4), Five (5), Six (6), Seven (7), Eight (8), Nine (9), Ten (10), Eleven (11), Twelve (12), Thirteen (13), Fourteen (14), Fifteen (15) and Sixteen (16) of Block Twenty (20), City of Shreveport, as shown by a plat or map recorded in Conveyance Book "L", at Page 444, and reinscribed in Plat Book 250, at Page 100, of the Conveyance Records of Caddo Parish, Louisiana, and existing twenty (20) foot alley separating aforementioned Lots One (1) through Eight (8), inclusive, from Lots Nine (9) through Sixteen (16), inclusive, with all buildings, structures, garages, systems and improvements located thereon, and all rights appurtenant thereto (the "**Land**"); together with all buildings, improvements, fixtures and other items located thereon, and all easements, servitudes and rights running in favor of the Land, including, without limitation, all highways, streets, roads, avenues, and alleys contiguous to, abutting or adjoining the Land, and all right, title and interest of the Seller in and to any land lying in any right-of-way adjoining such land to the centerline thereof (together with the Land collectively referred to as the "**Property**"), having the municipal address of 500 Fannin Street, Shreveport, Louisiana, 71101.

TRUST INDENTURE

by and between

OFFICE FACILITIES CORPORATION

and

HANCOCK WHITNEY BANK
(as Trustee)

Dated as of July 1, 2025

\$75,000,000
OFFICE FACILITIES CORPORATION
LEASE REVENUE BONDS
(NORTHWEST LOUISIANA STATE OFFICE BUILDING PROJECT)
SERIES 2025

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TRUST INDENTURE

This TRUST INDENTURE dated as of July 1, 2025 (together with any amendments hereto, the “*Indenture*”), is between the Office Facilities Corporation (the “*Corporation*”), a nonprofit corporation organized under the laws of the State of Louisiana, particularly the Office Facilities Corporation Act, Chapter 17-D of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1798 through 39:1798.14, inclusive) (the “*Act*”), and HANCOCK WHITNEY BANK, a state banking corporation, duly organized and existing by virtue the laws of the State of Mississippi, having a corporate trust office in Baton Rouge, Louisiana, and duly authorized to accept and execute trusts, as trustee (the “*Trustee*”).

WITNESSETH:

WHEREAS, the Corporation was incorporated in the Parish of East Baton Rouge on September 18, 1989 for the purpose of the financing the acquisition, purchase, construction, renovation, improvement, or expansion of public facilities for lease to the State of Louisiana (the “*State*”) and to carry out and fulfill the stated purposes of the Act;

WHEREAS, pursuant to the Act, the State is authorized to enter into lease-purchase agreements with the Corporation to finance the acquisition, purchase, construction, renovation, improvement or expansion of public facilities;

WHEREAS, under the Act, the Corporation is empowered to undertake the financing of buildings, parking garages, and related facilities used or to be used to house personnel, equipment, and/or services of the various agencies of the State government (the “*Public Facilities*”) with funds provided from the issuance of bonds payable from revenues or moneys of the Corporation available for such purpose and not otherwise pledged, including, without limitation, leases with the State covering Public Facilities so financed;

WHEREAS, the Corporation desires to issue its \$75,000,000 Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025 (the “*Bonds*”) for the purpose of providing funds to: (i) finance the design, construction, reconstruction, furnishing and equipping of a State office building located in Shreveport, Louisiana (ii) fund capitalized interest on the Bonds and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds and a debt service reserve fund surety policy, if necessary;

WHEREAS, the financing of the Facilities through the issuance of the Bonds of the Corporation will foster and be in furtherance of the objectives of the laws of this State and of the Articles of Incorporation of the Corporation by providing financing for the acquisition, purchase, construction, renovation, improvement, expansion or refinancing of public facilities on behalf of and for the benefit of the State of Louisiana and lowering the overall cost associated therewith;

WHEREAS, all things necessary to create a valid assignment and pledge of the Pledged Revenues (as defined herein) to the payment of the principal of, and premium, if any, and interest on, the Bonds and a valid assignment and pledge of the Trust Estate, and all things necessary to make the Bonds, when authenticated and delivered by the Trustee in accordance with this Trust Indenture, the valid and binding limited obligations of the Corporation, have been done and performed in accordance with all requirements of applicable law, and the execution and delivery of this Trust Indenture and the execution,

issuance and delivery of the Bonds, subject to the terms hereof, have been authorized in all necessary respects;

WHEREAS, the Corporation and the Louisiana Division of Administration (the “*Division*”) have entered into an Agreement to Lease With Option to Purchase dated as of July 1, 2025 (the “*Lease Purchase Agreement*”), pursuant to which the Corporation will lease to the Division an office building and related facilities;

WHEREAS, the fully registered Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Bonds are to be in substantially the form attached as Exhibit A and hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Corporation and the Trustee hereby covenant and agree as follows:

ARTICLE 1 DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Lease Purchase Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

“*Act*” means Chapter 17-D of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1798 through 39:1798.14, inclusive), and all acts supplemental thereto and amendatory thereof.

“*Additional Bonds*” means bonds, if any, issued in one or more series on a parity with the Bonds pursuant to Article 5 of this Indenture.

“*Assignment*” means the Assignment of Pledged Revenues and Security Agreement dated as of July 1, 2025, between the Corporation as assignor and the Trustee, as assignee.

“*Authorized Denomination*” means \$5,000 or any integral multiple thereof.

“*Authorized Corporation Representative*” means the person(s) at the time designated to act under the Agreement and this Indenture on behalf of the Corporation by a written certificate furnished to the Trustee containing the specimen signature of such person(s) and signed on behalf of the Corporation by the President, Vice President or Secretary of the Corporation. Such certificate may designate an alternate or alternates.

“*Beneficial Owner*” means, so long as a book-entry system of registration is in effect pursuant to Section 3.13 hereof, the actual purchaser of the Bonds.

“*Bond Counsel*” means counsel acceptable to the Corporation and experienced in matters relating to tax exemption of interest on obligations issued by states and their political subdivisions.

“*Bond Insurer*” means Assured Guaranty Inc. (“AG”) or any successor thereto or assignee thereof, as bond insurer for the Bonds.

“*Bond Insurance Policy*” means the municipal bond insurance policy issued by the Bond Insurer that guarantees the scheduled payment of principal of and interest on the Bonds when due.

“*Bond Proceeds Fund*” means the fund of that name created under this Indenture.

“*Bond Register*” means, when used with respect to the Bonds, the registration books maintained by the Trustee pursuant to Section 3.8 of this Indenture.

“*Bondholder*” or “*owner*”, when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

“*Bonds*” or “*Insured Bonds*” means, the Office Facilities Corporation Lease Revenue Bonds (Northwest Louisiana State Office Building Project) Series 2025, authorized to be issued by the Corporation in the aggregate principal amount of \$75,000,000 including such Bonds issued in exchange for other such Bonds pursuant to this Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to this Indenture.

“*Business Day*” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, or Baton Rouge, Louisiana, are authorized or required not to be open for the transaction of regular banking business, or (iv) a day on which the New York Stock Exchange is closed.

“*Capitalized Interest Fund*” means the fund of that name created under this Indenture.

“*Closing Date*” means the date on which the Bonds are delivered and payment therefor is received by the Corporation.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“*Corporation*” means the Office Facilities Corporation, a non-profit corporation organized under the laws of the State of Louisiana, particularly the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Corporation by said provisions shall be given by law.

“*Costs of Issuance*” means costs incurred in connection with the issuance of the Bonds, as set forth in Section 6.1 of this Indenture.

“*Costs of Issuance Account*” means the account so designated which is established pursuant to this Indenture.

“*Costs of the Facilities*” means those costs incurred by the Corporation in connection with the Facilities, as set forth in Section 4.7 of this Indenture.

“*Debt Service Fund*” means the fund of that name created under this Indenture.

“*Defeasance Obligations*” means noncallable direct obligations of the United States of America (including direct obligations of the United States of America which have been stripped by the Treasury itself, such as CATS, TIGRS and similar securities) or obligations the payment of principal of and interest on which are unconditionally guaranteed by the United States of America.

“*Division*” means the Louisiana Division of Administration, created within the Office of the Governor by Chapter 1 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor to its duties and obligations under the Lease Purchase Agreement.

“*DTC*” or “*Securities Depository*” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

“*Facilities*” means the facilities more particularly described in Exhibit A to the Lease Purchase Agreement that are to be funded from the proceeds of the Bonds.

“*Facilities Documents*” means collectively the Lease Purchase Agreement, the Plans and Specifications, construction contracts and amendments thereto, other contract documents and agreements, and surety bonds and instruments pertaining to the Facilities.

“*Fiscal Year*” means any period of twelve consecutive months adopted by the Corporation as its fiscal year for financial reporting purposes, presently the period beginning on July 1 and ending on June 30 of each year.

“*FitchRatings*” means Fitchratings, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitchratings” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, with the consent of the Corporation.

“*Indenture*” means this Trust Indenture dated as of July 1, 2025 between the Corporation and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“*Interest Account*” means the Interest Account within the Debt Service Fund created pursuant to Article 4 of this Indenture.

“*Interest Payment Date*” or “*interest payment date*”, when used with respect to the Bonds, means each January 1 and July 1, commencing January 1, 2026.

“*Insolvency Proceeding*” means any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

“Lease Purchase Agreement” means that certain Agreement to Lease with Option to Purchase dated as of July 1, 2025 by and between the Division as Lessee, and the Corporation, as Lessor, whereby the Facilities are leased by the Corporation to the Division.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *“Moody’s”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, with the consent of the Corporation.

“Outstanding” or *“outstanding”*, when used with reference to Bonds, means all Bonds which have been authenticated and issued under this Indenture except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under the Lease Purchase Agreement or this Indenture, Bonds held by or for the Corporation or any person controlling, controlled by or under common control with either of them.

“Participant” means any broker-dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

“Permitted Investments” means and includes any of the following securities or investments but only to the extent that they are eligible for investment by the Trustee under applicable State law:

- (a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.
- (b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (1) Farmers Home Administration - (FmHA) Certificates of beneficial ownership; (2) Federal Housing Administration Debentures (FHA); (3) General Services Administration - Participation certificates; (4) Government National Mortgage Association (GNMA or “Ginnie Mae”) - GNMA - guaranteed mortgage-backed bonds; GNMA - guaranteed pass-through obligations; (5) U.S. Maritime Administration - Guaranteed Title XI financing; (6) U.S. Department of Housing and Urban Development (HUD) - Project Notes; Local Authority Bonds.

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): (1) Federal Home Loan Bank System - Senior debt obligations (Consolidated debt obligations); (2) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") - Participation Certificates (mortgage backed securities); Senior debt obligations; (3) Federal National Mortgage Association (FNMA or "Fannie Mae") - Mortgage-backed securities and senior debt obligations (excluded are stripped mortgage securities which are valued greater than par on the portion of unpaid principal.); (4) Student Loan Marketing Association (SLMA or "Sallie Mae") - Senior debt obligations; (5) Resolution Funding Corp. (REFCORP) (Only the interest component of REFCOR strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable); (6) Farm Credit System - Consolidated systemwide bonds and notes.

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G"; "AAA-m"; or "AA-m" and if rated by Moody's, rated "Aaa", "Aa1" or "Aa2".

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must have a one year or less maturity. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks whose short term obligations are rated "A-1+" or better by S&P and "Prime-1" by Moody's. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

(g) Investment agreements, including guaranteed investment contracts.

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime -1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

(k) Repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to a municipal entity in exchange for the securities at a specified date. The repurchase agreements must also satisfy the following criteria: (1) repurchase agreements must be between a municipal entity and a dealer bank or securities firm which is (a) a primary dealer on the Federal Reserve reporting dealer list which fall under the jurisdiction of the SIPC and are rated "A" or better by S&P and Moody's, or (b) a

bank rated “A” or above by S&P and Moody’s; (2) the written repurchase agreement must include the following provisions: (a) securities which are acceptable for transfer are: (y) direct U.S. governments, or (z) federal agencies backed by the full faith and credit of the United States of America (and FNMA and FHLMC); (b) the term of the repurchase agreement may be up to 30 days; (c) the collateral must be delivered to the municipal entity, Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before or simultaneous with payment (perfection by possession of certificated securities); (d) the Trustee has perfected first priority security interest in the collateral; (e) collateral is free and clear of third-party liens and in the case of SIPC broker was not acquired pursuant to a repo or reverse repo; (f) failure to maintain the requisite collateral percentage, after a two day restoration period, will require the trustee to liquidate collateral; and (g) with respect to the valuation of collateral, the following will apply: (y) the securities must be valued weekly, marked-to-market at the current market price plus accrued interest; and (z) the value of collateral must be equal to 104% of the amount of cash transferred by the Trustee to the dealer bank or security firm under the repurchase agreement plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the Trustee, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%. In addition, the legal opinion acceptable to a municipal entity must be delivered regarding the repurchase agreement and the repurchase agreement must meet any guidelines under state law for legal investment of public funds.

(l) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If, however, the issue is only rated by S&P) (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

“*Pledged Revenues*” means: (1) the Base Rental and all other payments required to be paid to the Corporation by the Division pursuant to the Lease Purchase Agreement (other than Additional Rental); (2) all rents, issues, receipts and profits derived by the Corporation from the use or occupancy of any of the Facilities; (3) all earnings from the investment of moneys from time to time held by the Trustee in any fund or account established pursuant to this Trust Indenture; (4) all proceeds of insurance (including rental interruption insurance, if any) received or receivable by the Corporation as a result of any damage to or destruction of any of the Facilities, proceeds of title insurance covering the Facilities, all awards received or receivable by the Corporation as a result of the taking or use of any of the Facilities, or any part thereof, under the power of eminent domain and all amounts received or receivable by the Corporation as compensation for the transfer of any of the Facilities, or any part thereof in lieu of a taking or use of such Facilities, or part thereof, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facilities to which such proceeds, award or compensation is attributable; (5) all amounts received or receivable by the Corporation from the sale of any of the Facilities, or any part thereof; (6) all amounts collected under payment and performance bonds maintained with respect to any of the Facilities (including in connection with the construction thereof); and (7) any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which hereafter are received by the Corporation and which hereafter are pledged by the Corporation pursuant to this Trust Indenture.

“*Principal Account*” means the Principal Account within the Debt Service Fund created pursuant to this Indenture.

“*Project*” means the acquisition, purchase, construction, renovation, improvement, expansion and installation of an office building and related facilities to be used to house personnel, equipment and or services of various agencies of the State and certain other tenants.

“*Project Fund*” means the fund of that name created under this Indenture.

“*Rebate Fund*” means the fund of that name created under this Indenture.

“*Record Date*”, when used with respect to the Bonds, means the 15th day of the month previous to a month that contains an Interest Payment Date, or, if such day shall not be a Business Day, the next preceding Business Day.

“*Related Documents*” means the Indenture, the Lease Purchase Agreement or any other transaction document including any underlying security agreement.

“*Revenue Fund*” means the fund of that name created under this Indenture.

“*S&P*” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Corporation, with the consent of the Corporation.

“*Tax Agreement*” means the Tax Regulatory Agreement and Arbitrage Certificate dated the date of issuance of the Bonds among the Corporation, the Trustee and the Division.

“*Trust Estate*” means all the property assigned by the Corporation to the Trustee pursuant to this Indenture as security for the Bonds.

“*Trustee*” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee and Paying Agent under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Hancock Whitney Bank.

Section 1.2 Rules of Construction.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

(b) Unless the context shall otherwise indicate, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

(c) Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

(d) All references in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture. The words “herein”, “hereof”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE 2 GRANTING CLAUSES

Section 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder; of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof; of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of any and all Bonds at any time outstanding hereunder, according to the tenor and effect thereof and the premium and interest thereon, the payment of all costs, fees and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder and to the Trustee or its successors and assigns, or to others, according to the intent and meaning of all such Bonds and this Indenture, up to a maximum amount of \$75,000,000, and for the purpose of securing the performance and observance by the Corporation of all the covenants and conditions herein contained, the Corporation does hereby TRANSFER, ASSIGN AND DELIVER TO AND IN FAVOR OF the Trustee, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, its interest in the following described properties, rights, interests and benefits which are collectively called the “*Trust Estate*”:

All right, title and interest of the Corporation in, to and under the Lease Purchase Agreement and any leases (other than the Lease Purchase Agreement), subleases, use agreements or other similar agreements relating to the Facilities (including any and all extensions, renewals, amendments, modifications, amendments and supplements thereof or thereto), including, without limitation, the right to receive all payments of Rental under the Lease Purchase Agreement (except for payments of Additional Rentals made under the Lease Purchase Agreement), all proceeds of insurance (including rental interruption insurance, if any) received or receivable by the Corporation as a result of any damage to or destruction of the Facilities, or any part thereof, under the power of eminent domain and all amounts received or receivable by the Corporation as compensation for the transfer of the Facilities, or any part thereof, in lieu of a taking or use of the Facilities, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Facilities to which such proceeds, award or compensation is attributable, all amounts received or receivable by the Corporation from the sale of the Facilities, or any part thereof, all amounts collected under payment and performance bonds, if any, maintained with respect to the Facilities, and any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which hereafter are received by the Corporation for or relating to the Facilities, the present and continuing right to bring actions or proceedings thereunder or for the enforcement thereof and to make claim for, demand, collect, receive and receipt for any such funds or other moneys due or to become due thereunder and to take any and all other actions that the Corporation is or hereafter may become entitled to take under the Lease Purchase Agreement, or any such lease, sublease, use agreement or similar agreement;

All right, title and interest of the Corporation in and to the Pledged Revenues, including, without limitation, the present and continuing right to make claim for, demand, collect, receive and receipt for any and all payments due under the Lease Purchase Agreement and any other Pledged Revenues;

All cash, moneys, securities and investments which may at any time and from time to time, pursuant to the provisions of this Indenture, be paid to the Trustee or be in the hands of the Trustee, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in this Indenture, provided, however, that nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder;

Any and all other movable or immovable property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, to the Trustee as and for additional security by the Corporation or by any one acting on its behalf or with its written consent, the Trustee hereby being authorized to receive any and all of such property at any and all times and to hold and apply the same in accordance with, and subject to, the terms hereof; and

To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever; in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit, security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums which the Trustee may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to cure any default of the Corporation under the Agreement or arising out of any such default or incident of delay in payment of sums and the performance of obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the Corporation thereunder.

PROVIDED, HOWEVER, that if the Corporation, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article 12 hereof; otherwise this Indenture shall be and remain in full force and effect.

The Corporation hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Corporation will not suffer any lien or encumbrance to exist upon the Trust Estate, or any part thereof, superior to the security or lien to accrue or be created under this Indenture; or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Corporation further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Corporation has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof as follows:

ARTICLE 3 AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

Section 3.1 Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

Section 3.2 Authorization of Bonds.

(a) There is hereby authorized and issued under this Indenture \$75,000,000 aggregate principal amount of Bonds to be known as “Office Facilities Corporation Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025” to provide funds to: (i) finance the design, construction, reconstruction, furnishing and equipping of the Facilities (ii) fund capitalized interest on the Bonds and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds and a debt service reserve fund surety policy, if necessary.

(b) The Bonds are issuable as fully registered Bonds, in Authorized Denominations. The Bonds shall be numbered from No. R-1 upwards. The Bonds shall be dated the Closing Date, shall mature (subject to prior redemption as hereinafter set forth) on July 1 of the years and in the principal amounts and shall bear interest from the date thereof, payable on January 1 and July 1 of each year, commencing January 1, 2026, at the rates per annum (using a year of 360 days comprised of twelve 30-day months) as follows:

[TO COME]

(c) The principal of, and premium, if any, of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Corporation shall default in payment of interest due on such Interest Payment Date, provided that the owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not less than 15 days preceding such special record date. Payment as aforesaid shall be made in such coin or

currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

Section 3.3 Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in Exhibit A attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

Section 3.4 Redemption of Bonds.

(a) The Bonds maturing on and after July 1, 2036, are subject to redemption prior to maturity at the option of the Corporation, on or after July 1, 2035, as a whole at any time, or in part on any Interest Payment Date, by the Trustee by lot, at par plus accrued interest to the redemption date.

(b) The Bonds are subject to redemption in whole at any time at a price equal to the principal amount thereof plus accrued interest to the redemption date, but without premium, in the event the Corporation is required or ordered by legislative, judicial or administrative action of the United States of America or the State or any agency, department or subdivision thereof to operate the Facilities in a manner inconsistent with the stated goals, purposes and policies of the Corporation.

(c) The Bonds shall be redeemed as a whole at any time on or after July 1, 2035 on which the Division elects to purchase the Facilities pursuant to Section 23 of the Lease Purchase Agreement, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(d) The Bonds shall be redeemed as a whole or in part (in any integral multiple of \$5,000) at any time, at a price equal to the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption, but without premium, in an aggregate principal amount equal to the proceeds of any sale or re-letting of the Facilities following a termination of the Lease Purchase Agreement that are received at least 30 days prior to such redemption date.

(e) The Bonds shall be redeemed as a whole or in part (in an integral multiple of \$5,000) at any time at least 30 days after the Trustee receives notice that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facilities will not be applied to the restoration, repair or reconstruction of the Facilities at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not used for restoration, repair or reconstruction. If the amount of any insurance proceeds, condemnation award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (e) shall be decreased to the next lower multiple of \$5,000.

(f) Any Additional Bonds issued under the provisions of Article 5 of this Indenture may be made subject to redemption, either in whole or in part and at such times and prices, as may be provided in the resolution or resolutions of the Corporation authorizing the issuance of such Additional Bonds.

(g) Unless otherwise specified above, if less than all of the Bonds shall be called for redemption, the maturity of the Bonds to be redeemed shall be designated by the Corporation and selected by the Trustee by lot within a maturity; provided, however, that the portion of any Bond to be redeemed will be in the principal amount of an Authorized Denomination. If a portion of any Bond is called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(h) At least 30 days before the redemption date of any Bonds, the Trustee shall cause a notice of any such redemption to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued. Notwithstanding the foregoing, if at the time of mailing of notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the funds with the Trustee not later than the opening of business on the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Bonds, to be redeemed in the manner provided in this Section 3.4.

(i) On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under this Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

(j) In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

(k) Bonds and portions of Bonds which have been duly called for redemption under the provisions of this Article, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding

under the provisions of this Indenture and shall cease to be entitled to any security or benefit under this Indenture other than the right to receive payment from such moneys.

Section 3.5 Execution; Limitation of Liability. The Bonds shall be executed on behalf of the Corporation with the manual or facsimile signatures of the Authorized Corporation Representative, and shall have impressed or imprinted thereon the official seal of the Corporation or a facsimile thereof. The Bonds, together with interest and premium, if any, thereon, shall not constitute a debt of the State or any political subdivision thereof. The Bonds, together with interest thereon, shall be limited obligations of the Corporation and shall be secured by and payable solely out of revenues derived from the Pledged Revenues and the Trust Estate pledged hereunder. The Corporation shall not be obligated to pay the principal of the Bonds or the interest or premium, if any, thereon or other costs incidental thereto except from the Pledged Revenues and the Trust Estate. In case any officer of the Corporation whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CORPORATION (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS OTHER THAN LEASE REVENUES FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM RENTAL PAYMENTS MADE PURSUANT TO THE LEASE PURCHASE AGREEMENT AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE ASSIGNMENT.

Section 3.6 Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until the respective certificate of authentication substantially in the form set forth in Exhibit A attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.7 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Corporation may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Corporation and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Corporation and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Corporation

may authorize the payment of the same. The Corporation and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.7 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Corporation, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

Section 3.8 Registration of Bonds.

(a) The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain outstanding, there shall be maintained and kept for the Corporation, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

(b) Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

Section 3.9 Persons Treated as Owners.

(a) The Corporation and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Corporation nor the Trustee shall be affected by any notice to the contrary.

(b) Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.9 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Section 3.10 Exchange and Transfer of Bonds.

(a) As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

(b) For every such exchange or transfer of Bonds, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with

respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

(c) The Trustee shall not be required to register the transfer or exchange of (a) any Bonds during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Section 3.11 Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Corporation, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Corporation, shall deliver its certificate of such destruction to the Corporation.

Section 3.12 Delivery of the Bonds.

(a) Upon the execution and delivery of this Indenture, the Corporation shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Corporation as hereinafter in this Section provided. The Corporation shall execute and deliver to the Trustee and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Corporation as hereinafter in this Section provided.

(b) Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be delivered:

(i) A copy, duly certified by the Secretary of the Corporation, of the resolution or resolutions adopted by the Corporation authorizing the execution and delivery of this Indenture, the Lease Purchase Agreement, and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;

(ii) Original executed counterparts of this Indenture, the Lease Purchase Agreement, and the Assignment;

(iii) A request and authorization to the Trustee on behalf of the Corporation and signed by its President, Vice President or Secretary to authenticate and deliver the Bonds to the purchasers thereof and the amounts to be deposited in the Costs of Issuance Account, the Capitalized Interest Fund, the Project Fund, the Reserve Fund and the Debt Service Fund; and

(iv) A signed copy of the legal opinion of Jones Walker LLP, Bond Counsel, addressed to the Trustee, to the effect that (i) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (ii) authorizing the Trustee to rely upon Bond Counsel's approving opinion as if it were addressed to the Trustee.

(c) The Corporation hereby authorizes and directs the Trustee to execute and deliver the Assignment, the Tax Agreement and the Continuing Disclosure Agreement relating to the Bonds.

Section 3.13 Book-Entry Registration of Bonds.

(a) The Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC. The Corporation and the Trustee acknowledge that the Corporation has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Bonds will be issued and delivered to DTC (or the Trustee on behalf of DTC pursuant to the DTC FAST system of registration). The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

(b) For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

(c) The Corporation and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

(d) Neither the Corporation nor the Trustee are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

(e) Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

(f) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Corporation and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(g) The Corporation, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Corporation determines that (a) DTC is unable to discharge its responsibilities with respect to the Bonds, or (b) a continuation of the requirement that all of the outstanding Bonds be registered on the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

(h) Upon the termination of the services of DTC with respect to the Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Corporation is willing and able to undertake such functions upon reasonable and customary terms, the Corporation is obligated to deliver Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of Cede & Co., as

nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Bonds shall designate in accordance with the provisions of this Indenture.

(i) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Corporation dated [_____, 2025] and delivered to DTC.

(j) If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 3.14 Provisions Relating to the Bond Insurance Policy. Notwithstanding anything to the contrary set forth in this Indenture, the following provisions required by or related to the Bond Insurance Policy shall be applicable:

(a) The Bond Insurer shall be deemed to be the sole Owner of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Insured Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured Bond, each Owner of the Insured Bonds appoints the Bond Insurer as its agent and attorney-in-fact with respect to the Insured Bonds and agrees that the Bond Insurer may at any time during the continuation of any Insolvency Proceeding direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Insured Bonds delegates and assigns to the Bond Insurer, to the fullest extent permitted by law, the rights of each Owner of the Insured Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Insured Bonds for the Bond Insurer's benefit, and agrees to cooperate with the Bond Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(b) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under the Indenture.

(c) The maturity of Insured Bonds shall not be accelerated without the consent of the Bond Insurer and in the event the maturity of the Insured Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Bond Insurance Policy with respect to such Insured Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed thirty (30) days or be extended for

more than sixty (60) days, without the prior written consent of the Bond Insurer. No grace period shall be permitted for payment defaults.

(e) The Bond Insurer is a third party beneficiary of the Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Insured Bonds to be redeemed shall be subject to the approval of the Bond Insurer. The exercise of any provision of the Indenture which permits the purchase of Insured Bonds in lieu of redemption shall require the prior written approval of the Bond Insurer if any Insured Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Indenture that requires the consent of Owners or adversely affects the rights and interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

(h) Unless the Bond Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(i) The rights granted to the Bond Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Bond Insurance Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Bond Insurer.

(j) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasures"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasures held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasures are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Bond Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Bond Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Insured Bonds unless the Bond Insurer otherwise approves.

To accomplish defeasance of the Insured Bonds, the Issuer shall cause to be delivered to the Bond Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Bond Insurer verifying the sufficiency of the escrow established to pay the Insured Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Bond Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Insured Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Insured Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Trustee and the Bond Insurer. The

Bond Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

Insured Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(k) Amounts paid by the Bond Insurer under the Bond Insurance Policy shall not be deemed paid for purposes of the Indenture and the Insured Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full or duly provided for.

(l) Each of the Issuer and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Pledged Revenues under applicable law.

(m) Claims Upon the Bond Insurance Policy and Payments by and to the Bond Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the “Bond Insurer’s Fiscal Agent”) by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Insured Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Bonds and the amount required to pay principal of the Insured Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

The Trustee shall designate any portion of payment of principal on Insured Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Bonds registered to the then current Owner of the Insured Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Bond to the Bond Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Insured Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Insured Bond or the subrogation rights of the Bond Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Insured Bonds referred to herein as the

“Policy Payments Account” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of Owners of the Insured Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Insured Bonds in the same manner as principal and interest payments are to be made with respect to the Insured Bonds under the sections of the Indenture regarding payment of Insured Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Issuer agrees to pay, or shall cause the Division to pay, to the Bond Insurer, solely from the Pledged Revenues (i) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the “Bond Insurer Advances”); and (ii) interest on such Bond Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate per annum (collectively, the “Bond Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Bond Insurer Reimbursement Amounts are secured by a lien on and pledge of the Pledged Revenues and payable from such Pledged Revenues on a parity with debt service due on the Insured Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Bond Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Owners of the Insured Bonds and shall, at the written direction of the Bond Insurer, promptly remit such funds remaining to the Bond Insurer.

(n) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Insured Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Bond Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(o) The Issuer shall pay or reimburse the Bond Insurer, solely from the Pledged Revenues, any and all charges, fees, costs and expenses that the Bond Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Bond Insurer to honor its obligations under the Bond Insurance Policy. The Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Issuer hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Bond Insurer until the date the Bond Insurer is paid in full.

The obligation to reimburse the Bond Insurer shall survive discharge or termination of the Related Documents.

(p) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

(q) The Bond Insurer shall be entitled to pay principal or interest on the Insured Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Insured Bonds as a result of acceleration of the maturity thereof, whether or not the Bond Insurer has received a Notice of Nonpayment (as such terms are defined in the Bond Insurance Policy) or a claim upon the Bond Insurance Policy.

(r) Notices to the Bond Insurer shall be sent to the following address (or such other address as the Bond Insurer may designate in writing):

Assured Guaranty Inc.
1633 Broadway
New York, NY 10019
Attention: Managing Director – Municipal Surveillance
Re: Policy Nos. _____-N (Bond Insurance Policy)
Telephone: (212) 974-0100
Email: munidisclosure@agltd.com

In each case in which the notice or other communication refers to a claim on the Bond Insurance Policy or an Event of Default, such notice or other communication shall be marked "URGENT MATERIAL ENCLOSED" and a copy shall also be sent to the attention of the General Counsel at the above address and at generalcounsel@agltd.com.

(s) The Bond Insurer shall be provided with the following information by the Issuer or the Trustee, as the case may be:

(i) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, annual audited financial statements within the filing deadline specified in the Issuer's continuing disclosure agreement, covenant or undertaking with respect to the Bonds (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Indenture), and, upon request, the Issuer's annual budget within thirty (30) days after the approval thereof together with such other information, data or reports as the Bond Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two (2) Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds and any Additional Bonds secured by the Debt Service Reserve Fund;

(iii) Notice of any default or Event of Default under the Indenture known to the Trustee or the Issuer within five (5) Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any Insolvency Proceeding (as defined in subsection (c) above);

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Insured Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

(ix) All reports, notices and correspondence to be delivered to Owners under the terms of the Related Documents; and

(x) To the extent not otherwise filed with the Municipal Securities Rulemaking Board's EMMA system, all information required to be furnished pursuant to a continuing disclosure agreement, covenant or undertaking with respect to the Bonds.

(t) The Bond Insurer shall have the right to receive such additional information as it may reasonably request.

(u) The Issuer will permit the Bond Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Bond Insurer to have access to the facilities, books and records of the Issuer on any Business Day upon reasonable prior notice.

(v) The Trustee shall notify the Bond Insurer of any known failure of the Issuer to provide notices, certificates and other information under the Related Documents that are required to be delivered to the Owners of the Bonds.

(w) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Bond Insurer.

(x) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Bond Insurance Policy.

(y) No contract shall be entered into or any action taken by which the rights of the Bond Insurer or security for or sources of payment of the Insured Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Bond Insurer.

(z) The Issuer shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Pledged Revenues without the prior written consent of the Bond Insurer.

ARTICLE 4

FUNDS AND ACCOUNTS; FLOW OF FUNDS; INVESTMENTS; DEPOSITS; ARBITRAGE

Section 4.1 Creation and Use of Funds and Accounts; Application of Bond Proceeds. Upon delivery of and payment for the Bonds, the following special trust funds and accounts shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are outstanding to be used for the following purposes:

(a) The Bond Proceeds Fund shall be maintained with the Trustee and used to receive the proceeds of the Bonds in the amount specified in the request and authorization delivered pursuant to Section 3.12; to transfer to the Interest Account in the Debt Service Fund that portion of the proceeds of the Bonds representing accrued interest on the Bonds in an amount specified in the request and authorization delivered pursuant to Section 3.12; to retain such sum, in a special account called the Costs of Issuance Account, as shall be specified in the request and authorization delivered pursuant to Section 3.12; to transfer such sum to the Capitalized Interest Fund, as shall be specified in the request and authorization delivered pursuant to Section 3.12; and to transfer to the Project Fund the balance of the proceeds of the Bonds.

(b) The Capitalized Interest Fund shall be maintained with the Trustee and used to receive the proceeds of the Bonds in the amount specified in the request and authorization delivered pursuant to Section 3.12. The amounts on deposit in the Capitalized Interest Fund shall be transferred by the Trustee as necessary for deposit to the Interest Account of the Debt Service Fund to be used to pay the initial debt service payments on the Bonds on any Interest Payment Date to and including [January 1, 2027]. Earnings on amounts in the Capitalized Interest Fund shall be retained in such fund. Any amounts remaining in the Capitalized Interest Fund after payment of the [January 1, 2027] debt service payment shall be transferred to the Project Fund.

(c) The Debt Service Fund shall be maintained with the Trustee and used for the following purposes:

(i) The Interest Account shall be used to receive the accrued interest on the Bonds paid by the purchasers of the Bonds on the Closing Date as provided in Section 4.1(a) hereof; to receive amounts from the Revenue Fund in accordance with the amount of interest then required to be paid on the Bonds, as provided in Section 4.1(e) hereof; and to pay the interest on the Bonds as it becomes due and payable; and

(ii) The Principal Account shall be used to receive amounts from the Revenue Fund in accordance with the amount of principal then required to be paid on the Bonds as provided in Section 4.1(e) hereof; to pay the principal of the Bonds as it becomes due and payable whether at maturity; and, if funds are available for such purpose and at the written direction of the Corporation, to effect the redemption of the Bonds prior to their maturity in

accordance with the redemption provisions thereof or the purchase of Bonds prior to their maturity in the open market at a price not in excess of the principal amount thereof, premium, if any, plus accrued interest.

(d) The Project Fund shall be maintained by the Trustee in trust and shall be used to receive the immediate transfer from the balance of the proceeds of the Bonds as provided in Section 4.1(a) hereof. Moneys in the Project Fund shall be applied to the payment of the Costs of the Facilities pursuant to the procedure established in Section 4.9 hereof and, pending such application, shall be subject to a lien and charge in favor of the Bondholders for the further security of such Bondholders until paid out or transferred as herein provided.

(e) The Revenue Fund shall be maintained with the Trustee. All Pledged Revenues received by the Trustee and not specifically required to be applied otherwise under the terms of this Indenture and any amounts required to be transferred to the Revenue Fund pursuant to the terms hereof shall be deposited by the Trustee in the Revenue Fund immediately upon receipt. On the day immediately preceding each Interest Payment Date or other date on which the principal of, or interest on, the Bonds is due, the Trustee shall transfer moneys held in the Revenue Fund to the following funds and accounts and in the following order or priority:

(1) to the Interest Account an amount sufficient to cause the amount on deposit in the Interest Account to equal the interest on the Bonds due on such Interest Payment Date or other date on which the interest on the Bonds is due; and

(2) to the Principal Account, an amount sufficient to cause the amount on deposit in the Principal Account to equal the principal and premium, if any, due with respect to the Bonds on such Interest Payment Date or other date on which the principal and premium, if any, of the Bonds is due.

The creation of the Revenue Fund shall in no way diminish the pledge to the payment of the Bonds of Pledged Revenues which may not have been deposited in the Revenue Fund. The Revenue Fund shall be maintained while any of the Bonds remain Outstanding. Funds on deposit in the Revenue Fund not needed for deposit to the Debt Service Fund shall be available for expenditure by the Corporation for any lawful purpose.

(f) The Rebate Fund shall be maintained with the Trustee and used to make all rebate payments owed to the United States under the Code pursuant to and as more fully set forth in the Tax Agreement.

Section 4.2 Flow of Funds.

(a) The Corporation covenants and agrees to cause the Division to pay all Rentals owed under the Lease Purchase Agreement in the amounts, time and manner as set forth in Section 6 of the Lease Purchase Agreement and to cause any other lessee, sublessee or other user of the Facilities to pay all rents and fees owed by such entities due to their use or occupancy of any of the Facilities, and the Trustee agrees to cause the Rentals paid by the Division and the other rents and fees collected in connection with the use or occupancy of the Facilities by any other person or entity to be applied in the amounts, time and manner as hereinafter provided:

(i) Semiannually, on or before each January 1 and July 1, commencing January 1, 2026, an amount equal to the principal of, premium, if any, and interest due and payable on the Bonds on such January 1 or July 1, as the case may be;

(ii) Into any of the other foregoing funds an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by this Indenture, within 60 days of the Corporation's receipt of notice from the Trustee of such deficiency, loss or required payment.

(b) The required payments for Section 4.2(a)(i) above shall be reduced by any surplus amount contained in or investment income received in or transferred to the Interest and/or Principal Accounts.

Section 4.3 Investments.

(a) Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the written direction of the Corporation in Permitted Investments, to the extent practicable, that shall mature (or be readily convertible to cash) not later than the respective dates, as estimated by the Trustee, when the moneys in said Funds and Accounts shall be required for the purposes intended, and:

(i) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000;

(ii) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(iii) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which such earnings are made; and

(iv) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds outstanding at the time such Permitted Investments are deposited. For the purposes of this section, the maturity date of repurchase agreements for obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying obligation.

(b) An Authorized Corporation Representative shall give to the Trustee written directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article and the Tax Agreement, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized Corporation Representative. The Trustee shall furnish the Corporation annually with a written copy and the Corporation with a written copy, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments.

(c) Investments shall be valued by the Trustee as frequently as deemed necessary, but not less often than annually, at the market value thereof. Deficiencies in the amount on deposit in any fund or account resulting from a decline in market value shall be restored no later than the succeeding valuation date.

Section 4.4 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee or the Corporation. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by Federal law for securing any Federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

Section 4.5 Arbitrage. Notwithstanding all the provisions hereof, the Corporation shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Bonds for Federal income tax purposes or in such manner which would result in the Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 4.6 Payments From Project Fund.

(a) Payment of the Costs of the Facilities shall be made from the Project Fund. All payments from the Project Fund shall be subject to the provisions and restrictions set forth in this Article, and the Corporation covenants that it will not cause or permit to be paid from the Project Fund any sums except in accordance with such provisions and restrictions.

(b) Moneys in the Project Fund shall be used to pay the Costs of the Facilities; provided that if an Event of Default under the Lease Purchase Agreement or Indenture has occurred and is continuing, the Trustee shall transfer moneys in the Project Fund to the Debt Service Fund for the purpose of paying the principal of, premium, if any, and interest on the Bonds.

Section 4.7 Costs of the Facilities. For the purpose of this Indenture, the Costs of the Facilities shall embrace such costs as are eligible costs within the purview of the Act and the Code and, without intending thereby to limit or restrict any proper definition of such Costs, shall include the following:

(a) obligations incurred by the Corporation with respect to the lease of the property and the acquisition, construction and installation of the Facilities, for labor, materials and services provided by contractors, builders and others in connection with the construction and equipping of the Facilities, machinery and equipment, necessary water and sewer lines and connections, utilities and landscaping, the restoration or relocation of any property damaged or destroyed in connection with such construction, the removal or relocation of any structures, and the clearing of lands and the reasonably allocable expenses of the Corporation with respect to the Facilities;

(b) the cost of acquiring by purchase, if deemed expedient, or leasing such lands, property, rights, rights-of-way, servitudes, easements, franchises and other interests as may be deemed necessary or convenient by the Authorized Corporation Representative for the construction and equipping of the Facilities, the cost of options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such

buildings or structures may be moved and the amount of any damages incident to or consequent upon the construction of the Facilities;

(c) interest on the Bonds for the period not later than the earlier of one year from the completion date of the Facilities established pursuant to Section 4.10 hereof or three years from the date of issuance of the Bonds, and the reasonable fees and expenses, including counsel fees, of the Trustee for its services prior to and during construction, and premiums on insurance, if any, in connection with the Facilities;

(d) the cost of borings and other preliminary investigations, if any, to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Facilities and fees and expenses of engineers, architects, management consultants for making studies, surveys and estimates of cost and of revenues and other estimates, costs of environmental surveys, reports and remediation, and fees and expenses of engineers and architects for preparing plans and specifications and supervising construction as well as for the performance of all other duties of engineers and architects set forth herein in relation to the acquisition and construction of the Facilities and the issuance of the Bonds therefor;

(e) all other items of expense not elsewhere in this Section specified incident to the construction and equipping of the Facilities and the financing thereof, including professional fees, moving expenses, the acquisition of lands, property, rights, rights-of-way, easements, franchises and interest in or relating to lands, including title insurance, cost of demand surveys, other surveys and other expenses in connection with such acquisition, legal fees and expenses, and expenses of administration and overhead, all properly chargeable, in the opinion of the Authorized Corporation Representative, to the acquisition, construction and equipping of the Facilities; and

(f) any obligation or expense heretofore or hereafter incurred or paid by the Corporation for or in connection with any of the foregoing purposes.

Section 4.8 Requisitions from the Project Fund.

(a) Payments from the Project Fund shall be made in accordance with the provisions of this Section. In connection with a payment from the Project Fund, there shall be filed with the Trustee a requisition, substantially in the form of Exhibit B attached hereto and made a part hereof, signed by an Authorized Corporation Representative, stating:

- (i) the item number of each such payment,
- (ii) the name of the person, firm or corporation to whom each such payment is due, or, if such payment has been made by the Corporation, that the Trustee is to reimburse the Corporation directly for such payment,
- (iii) the respective amounts to be paid,
- (iv) the purpose by general classification for which each obligation to be paid was incurred,
- (v) that obligations in the stated amounts have been incurred by the Corporation and are either (A) presently due and payable or (B) have been paid by the Corporation and that each

item thereof is a proper charge against the Project Fund and has not been the subject of any prior requisition,

(vi) that such requisition contains no item representing payment on account of any retainage to which the Corporation is entitled at the date of such requisition, and

(vii) a certification that all work, materials, supplies and equipment which are the subject of such requisition have been performed or delivered and are in accordance with the description of the Facilities referred to above.

(b) Upon receipt of each requisition and accompanying certificate and information, the Trustee shall pay the obligations set forth in such requisition out of the money in the Project Fund, and each such obligation shall be paid by check signed by one or more officers or employees of the Trustee designated for such purpose by the Trustee or by wire transfer or credit to an account of the Corporation held by the Trustee or in such other manner as may be agreed on by the Corporation and the Trustee. In making such payments the Trustee may rely upon such requisitions and shall have no obligation to verify any matter stated in such requisitions. If for any reason the Corporation should decide prior to the payment of any item in a requisition not to pay such item, it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment.

Section 4.9 Reliance upon Requisitions. All requisitions received by the Trustee as conditions of payment from the Project Fund may be relied upon by the Trustee who shall have no obligation to verify any matter stated in such requisition, and which shall be retained by the Trustee, subject at all reasonable times to examination by the Corporation.

Section 4.10 Completion of the Facilities and Disposition of Project Fund Balance. The date upon which the Facilities are substantially complete shall be evidenced to the Trustee by a certificate signed by an Authorized Corporation Representative. The certificate shall set forth the Costs of the Facilities and state that, except for amounts not then due and payable, or the liability for the payment of which is being contested or disputed in good faith by the Corporation, (a) the acquisition, construction and equipping of the Facilities have been completed substantially in accordance with the Plans and Specifications and the Costs of the Facilities have been paid, and (b) all other facilities necessary in connection with the Facilities have been acquired, constructed and installed in accordance with the Plans and Specifications therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties that exist at the date of such certificate or which may subsequently come into being. Upon receipt of such certificate, the balance in the Project Fund shall be transferred by the Trustee to the Principal Account of the Debt Service Fund (subject to the provisions of Section 4.6 hereof) and applied to redeem the Bonds in accordance with the provisions of Section 3.4 hereof.

Section 4.11 Amounts Remaining in Funds; Releases. It is agreed by the parties hereto that any amounts remaining in the Funds and Accounts existing pursuant to this Indenture upon the expiration or sooner cancellation or termination of the Lease Purchase Agreement, as provided therein, after payment in full of all Bonds then outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article 12 of this Indenture), and the fees, charges and expenses of the Corporation and the Trustee and all other amounts required to be paid under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, shall belong to and be paid to the Corporation.

Section 4.12 Reserved.

Section 4.13 Application of Insurance Proceeds; Condemnation Award.

(a) If all or any portion of the Facilities is damaged or destroyed by a Casualty (as defined in the Lease Purchase Agreement), or is taken by Expropriation (as defined in the Lease Purchase Agreement) proceedings, the Corporation shall, upon receipt of notice from the Division instructing the Corporation to do so, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair, restoration, or replacement thereof; provided however, that the Corporation shall in no way be liable for any costs of the repair, restoration or replacement of the Facilities in excess of the proceeds of any insurance or of any Expropriation award received because of such Casualty or Expropriation. The proceeds of any insurance, including the proceeds of any self-insurance fund, or of any Expropriation award or payment in lieu of Expropriation, received on account of any damage, destruction or taking of all or any portion of the Facilities shall be delivered to the Trustee and held by the Trustee in a special account to be established upon receipt of any such funds and held by the Trustee in trust (or in the case of self insurance through the Division's Office of Risk Management ("ORM"), as set forth in subparagraph (b) of this Section 4.13), and shall be made available for, and to the extent necessary be applied to, such restoration, repair and replacement. Any amounts so held by the Trustee shall be disbursed to pay the costs of restoration, replacement and repair of the Facilities with respect to which they are held, in each case promptly after receipt of a written request of the Corporation stating that the amount to be disbursed pursuant to such request will be used to pay costs of replacing or repairing or restoring the Facilities and that no amount previously has been disbursed by the Trustee for payment of the costs to be so paid. In making such payments, the Trustee may conclusively rely upon such written requests and shall have no liability or responsibility to investigate any matter stated therein, or for any inaccuracy or misstatement therein. In no event shall the Trustee be responsible for the adequacy of the plans and specifications or construction contract relating to the replacement, restoration, or repair of the Facilities, or for the improper use of moneys properly disbursed pursuant to request made under this Section. Any proceeds remaining on deposit with Trustee following completion of the repairs, restoration or replacement of the Facilities shall be paid by Trustee to the Corporation.

(b) The Division may only decide not to repair, restore or replace the Facilities with proceeds of any insurance and any additional funds deposited with the Trustee, if such funds or such funds combined with other funds appropriated by the Legislature or as may otherwise be available ("Available Funds") to redeem Outstanding Bonds are in an amount such that the Bonds left Outstanding may be fully serviced by the Rental payments derived only from use of the remaining building comprising the Facilities. The Commissioner of Administration shall request a supplemental line-item appropriation by the Legislature to provide the balance required to permit the repair, restoration or replacement of the Facilities; or in the event that the Division determines not to repair, restore or replace the Facilities, the Commissioner shall require the balance of funds required for the redemption of the Bonds in accordance with the terms of this Indenture and the Agreement shall terminate.

(c) In the event that ORM insures the Facilities, the Division shall cause the Corporation to use the insurance proceeds received from ORM in accordance with Policy and Procedure Memorandum Number 10 (requiring invoices to be submitted to ORM for payment to vendors, or alternatively, production of invoices paid by the Division to ORM for reimbursement of vendor payments) to effect the repair, restoration or replacement of the Facilities.

SECTION 4.14. Application of Moneys in the Rebate Fund. Moneys in the Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The

Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Rebate Fund by the Division as Base Rental under the Lease Purchase Agreement as required thereby and by this Indenture.

ARTICLE 5 ADDITIONAL BONDS

Section 5.1 Additional Bonds.

(a) Additional Bonds may be issued on a parity with the Bonds, in one or more series by the Corporation under a supplement to this Indenture to pay all or part of the additional Costs of the Facilities or to make any improvements, renovations or additions to all or any part of the Facilities, so long as:

(i) No Event of Default under this Indenture has occurred and is then continuing and the Corporation shall have approved the issuance of such Additional Bonds; and

(ii) There shall have been filed with the Trustee an opinion of Bond Counsel to the effect that the exclusion from “gross income” for Federal income tax purposes of the interest on the Bonds then outstanding under this Indenture shall not be adversely affected.

(b) Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of Additional Bonds.

Section 5.2 Refunding. Refunding Bonds may be issued under and secured by a supplement to this Indenture for the purpose of providing funds for the refunding of the Bonds and Additional Bonds.

ARTICLE 6 COSTS OF ISSUANCE

Section 6.1 Payment of Costs of Issuance from Bond Proceeds Fund. There shall be paid into the Costs of Issuance Account in the Bond Proceeds Fund the amounts required to be so paid from Bond proceeds pursuant to Section 4.1(a) of this Indenture; and such amounts shall be applied to the payment of all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds including, but not limited to, publication costs, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, the Corporation or any other fiduciary, legal fees and charges, fees and disbursements of consultants and professionals and any other cost, charge or fee in connection with the original sale and issuance of the Bonds. The Trustee shall make payments from the Costs of Issuance Account upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Corporation directing the Trustee to pay such statements. Any amounts in the Costs of Issuance Account remaining after payment in full of all of the Costs of Issuance of the Bonds shall be transferred on or before [_____, 2025] to the Project Fund.

ARTICLE 7
ENFORCEMENT OF LEASE PURCHASE AGREEMENT

Section 7.1 Assignment of Lease Purchase Agreement. The Corporation has assigned all of its right, title and interest in, to and under the Lease Purchase Agreement (except for payments of Additional Rental made thereunder), to the Trustee as security for the Bonds and hereby agrees that the Lease Purchase Agreement may be enforced by the Trustee and/or the owners of the Bonds issued hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Corporation agrees to cause the Division to comply with the terms contained in the Lease Purchase Agreement and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture the Lease Purchase Agreement.

Section 7.2 Trustee or Bondholders to Enforce Lease Purchase Agreement. The Trustee may, and upon request of the owners of a majority in aggregate principal amount of the Bonds then outstanding shall, subject to the provisions of Section 8.11 and Article 9 hereof, strictly and promptly enforce the provisions of the Lease Purchase Agreement so long as any of the Bonds remain outstanding under this Indenture. All rights of action (including the right to file proof of claims) to enforce the Lease Purchase Agreement under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

Section 7.3 Construction of the Facilities. The Corporation shall acquire, construct and equip, or cause to be acquired, constructed and equipped, the Facilities with all reasonable dispatch and in accordance with the Facilities Documents, and shall take all action necessary to enforce the provisions of the Facilities Documents.

Section 7.4 Revision of Facilities Documents. The Corporation may revise the Facilities Documents and the description of the Facilities from time to time (including, without limitation, the deletion or revision of any of the facilities included in the Facilities and/or the substitution therefor of other facilities) without the consent of the Trustee or the holders of the Bonds; provided, however, that no such revision shall impair the exclusion from gross income of interest on the Bonds for Federal income tax purposes. In the case of any change that would render materially inaccurate the description of the Facilities, there shall be delivered to the Trustee a revised description of the Facilities that reflects the change in the Facilities Documents. Accompanying the description of the change shall be (i) a certificate of an Authorized Corporation Representative to the effect that the description of the change is accurate and that all governmental or regulatory approvals necessary therefor have been acquired and (ii) an opinion of bond counsel that such change does not affect the tax exempt status of the Bonds.

ARTICLE 8
EVENTS OF DEFAULT; REMEDIES

Section 8.1 No Extension of Time for Payment of Principal, Premium or Interest. The Trustee shall not be authorized to extend the time for any payment of principal, premium or interest without the prior written consent of or authorization by the owner of the Bonds so affected.

Section 8.2 Events of Default. Each of the following events is hereby declared to be an “*Event of Default*”:

(a) The payment of any installment of interest on the Bonds shall not be made when the same shall become due and payable;

(b) The payment of the principal of or premium, if any, on the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(c) A default shall occur under Section 21 of the Lease Purchase Agreement;

(d) If by action or inaction of the Corporation the interest on the Bonds shall become includable in “gross income” for Federal income tax purposes; or

(e) Default by the Corporation in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Corporation to be performed, if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Corporation by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the 30 day period after receipt of notice, but the Corporation promptly shall institute and diligently pursue corrective action until such default is cured, or (ii) the Trustee shall determine that such default is not curable but such default does not affect the validity or enforceability of the Bonds, this Indenture or the Lease Purchase Agreement, an event of nonperformance shall not have occurred under the Lease Purchase Agreement (other than as a result of the cross-default provisions), and such default does not impair the security or the obligations provided for or under the Bonds, this Indenture or the Lease Purchase Agreement.

The word “default” as used herein means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure.

Section 8.3 Remedies. Upon the occurrence of an Event of Default, the Corporation, the Trustee and, subject to Sections 8.10 and 8.11, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, the Assignment or pursuant to the provisions of the Lease Purchase Agreement by virtue of its assignment hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture or the Lease Purchase Agreement.

Section 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default described in Section 8.2 of this Indenture, the Trustee may declare the Bonds then outstanding immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in such Bonds or in this Indenture to the contrary notwithstanding, and, subject to Article 9, the Trustee may exercise any remedies granted to it herein. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment; and

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on

account of such default, or before the completion of the enforcement of any other remedy under this Indenture or the Lease Purchase Agreement, the Trustee may annul such declaration and its consequences with respect to the Bonds if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Trustee; (iii) all other amounts then payable by the Corporation under this Indenture or the Lease Purchase Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.5 Insufficiency in the Debt Service Fund; Application of Moneys. Anything in this Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on, premium, if any, or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, including, without limitation, moneys paid by the Assignee (as defined in the Assignment) to the Trustee pursuant to the Assignment, shall, subject to the provisions of Sections 9.2 and 9.4 hereof, be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of the interest due on such date, and next to the payment of the principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond,

ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions of Section 8.5(b) above, in the event that the principal of all the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a) above.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Corporation, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.6 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Corporation, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Section 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

Section 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Lease Purchase Agreement or under any of the Bonds may be enforced by the Trustee without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

Section 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, the owners of at

least a majority of the aggregate outstanding principal amount of Bonds then outstanding shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Section 8.11 Individual Bondholder Action Restricted.

(a) No owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a) or 8.2(b)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) The owners of at least a majority of the aggregate outstanding principal amount of Bonds outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of 60 days after receipt of the request and offer of indemnity.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all outstanding Bonds.

Section 8.12 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Notwithstanding anything contained in this Indenture to the contrary, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of, premium, if any, and interest on any Bond, when due and payable or upon

call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding.

(d) In case of a waiver by the Trustee of any Event of Default, the Corporation, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

Section 8.13 Notice of Defaults.

(a) Within 30 days after the receipt of notice of an Event of Default or the occurrence of an Event of Default described under Section 8.2 (a) or (b) hereof, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then outstanding in the manner provided in Section 13.8 of this Indenture, provided that, except in the case of a default in the payment of principal, redemption price, or interest on any of the Bonds, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Corporation of any Event of Default known to the Trustee.

ARTICLE 9 CONCERNING THE TRUSTEE

Section 9.1 Acceptance of Trusts. Hancock Whitney Bank is hereby appointed Trustee and Paying Agent for the Bonds. The Trustee hereby represents and warrants to the Corporation (for the benefit of the Bondholders as well as the Corporation) that it is a state banking corporation duly organized and existing under the laws of the State of Mississippi and that it is duly authorized under such laws to accept and execute trusts of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture including the following express terms and conditions, to all of which the parties hereto and the respective Owners of the Bonds agree:

(a) Except during the continuance of an Event of Default within the purview of Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (x) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Lease Purchase Agreement (except with respect to performance of its obligations hereunder), the Tax Agreement (except with respect to performance of its obligations thereunder), the Assignment (except with respect to performance of its obligations thereunder), and any supplement thereto, the Bonds (except as to the authentication of the Bonds), or any instruments or documents related thereto (collectively, the "Bond Documents") or (y) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its negligence or willful misconduct, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case may be, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Corporation Representative; provided, however, that the Trustee, or such agent, representative, expert or counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and in accordance with any direction or request of the Bondholders; and

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts; and

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the Corporation to make or cause to be made scheduled payments to the Trustee provided for in the Lease Purchase Agreement until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder; and

(vii) anything in any of the Bond Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so by one or more owners of the Bonds outstanding hereunder and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or

the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) in no event shall the Trustee be liable to any person for special, indirect or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Bond Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Bond Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its negligence or willful misconduct.

(c) In case an Event of Default within the purview of Section 8.2 hereof has occurred and is continuing and the Trustee has actual knowledge of such Event of Default or is deemed to have knowledge pursuant to (b)(vi) above, subject to the provisions of this Article 9, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the degree of care and skill in their exercise as a prudent man would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Lease Purchase Agreement and the Assignment, but only upon the terms and conditions set forth in the Lease Purchase Agreement, the Assignment and this Indenture. The rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

Section 9.2 Trustee Entitled to Indemnity. The Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this Indenture or under the Lease Purchase Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own negligence), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Lease Purchase Agreement, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Corporation shall reimburse the Trustee from funds available therefor under the Lease Purchase Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Corporation shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

Section 9.3 Trustee Not Responsible for Insurance, Taxes, Execution of Indenture, Acts of the Corporation or Application of Moneys Applied in Accordance with this Indenture.

(a) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Corporation or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or

to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof, except as to the authentication thereof.

(b) The Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

(c) The Trustee shall not be liable or responsible because of the failure of the Corporation or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Corporation or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture or in the case of payments from the Project Fund, if made in accordance with the requisition submitted by the Corporation.

(d) The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

Section 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Corporation shall cause the Division to pay to the Trustee its reasonable fees and charges as Additional Rental in accordance with the Lease Purchase Agreement upon the written request of the Trustee. If the Division shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture, and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

Section 9.5 Trustee to Preserve Records. All records and files pertaining to the Corporation in the custody of the Trustee shall be open at all reasonable times to the inspection of the Corporation and their agents and representatives.

Section 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture, and may join in the capacity of a Bondholder in any action which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

Section 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and on the part of the Corporation and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

Section 9.8 Trustee Not Responsible for Reinscription. The Assignor, as defined in the Assignment, is required under the terms of the Assignment to reinscribe the notice of assignment at such times as shall be necessary to preserve the lien thereof.

Section 9.9 Trustee May Rely on Certificates. Subject to the provisions of Section 9.1(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Lease Purchase Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

Section 9.10 Qualification of the Trustee. There shall at all times be a Trustee hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers) organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$100,000,000, and subject to supervision or examination by Federal or state authority. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.11 hereof.

Section 9.11 Resignation and Removal of Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.12 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Corporation.

(b) The Trustee may resign at any time by giving written notice thereof to the Corporation and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for cause at any time by an instrument or instruments in writing to the Trustee, with copies to the Corporation, signed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding or by their attorneys, legal representatives or agents and delivered to the Trustee and the Corporation (such instruments to be effective only when received by the Trustee).

(d) If at any time

(i) the Trustee shall cease to be eligible under Section 9.10 hereof and shall fail to resign after written request therefor by the Corporation or by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (1) the Corporation may remove the Trustee, or (2) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Corporation shall promptly appoint a successor. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding and delivered to the Corporation and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Corporation. If no successor Trustee shall have been so appointed by the Corporation or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Corporation shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Corporation shall be furnished with sufficient funds to pay all costs and expenses (including attorney's fees) reasonably incurred by the Corporation in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

Section 9.12 Successor Trustee.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Corporation, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Corporation and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Corporation be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee any such instrument in writing shall and will be executed, acknowledged and delivered by the Corporation upon the written request of the Trustee and provided the

Corporation shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Corporation in connection therewith as such costs and expenses accrue.

(b) Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder with or into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the corporate trust assets and corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

Section 9.13 Co-Trustee.

(a) It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

(b) Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the trust estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Corporation be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Corporation upon the written request of the Trustee and provided the Corporation shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Corporation in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

Section 9.14 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

ARTICLE 10 SUPPLEMENTAL INDENTURES AND AMENDMENTS

Section 10.1 Supplemental Indentures Not Requiring Consent of Bondholders. The Corporation and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into

an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;
- (c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;
- (d) To provide for the issuance of Additional Bonds in conformity with the provisions of Article 5 of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Additional Bonds;
- (e) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any Federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said Federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1(e) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds; or
- (f) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

Section 10.2 Supplemental Indentures Requiring Consent of Bondholders.

(a) Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding shall have the right from time to time, to consent to and approve the execution by the Corporation and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Corporation for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the owners of all the Bonds then outstanding (a) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount or premium of, or reduction in the rate or extension of the time of payment of interest on, any Bonds, or (b) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture, or (c) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

(b) If at any time the Corporation shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being

satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 13.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Corporation following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Corporation from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 10.3 Amendments to Lease Purchase Agreement Not Requiring Owner Consent. Subject to the terms and provisions of Section 10.5 and 10.7 of this Indenture, the Lease Purchase Agreement may be amended or modified in any manner not inconsistent with the terms and provisions of this Indenture, for any one or more of the following purposes: (1) to cure any ambiguity or formal defect or omission in the Lease Purchase Agreement which does not have an adverse effect upon the interest of the Owners; (2) to grant to or confer upon the Corporation or the Trustee, for the benefit of the Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Corporation or the Trustee; (3) to more clearly identify the Facilities or to add to or subtract from the Facilities any property; (4) to amend or modify the Lease Purchase Agreement in any manner specifically required or permitted by the terms thereof, including as may be necessary to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; (5) to make any amendment or modification required as a condition to obtaining any rating by Moody's or S&P with respect to the Bonds; and (6) to amend or modify the Lease Purchase Agreement in any other manner that, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds or the Trustee and which does not involve a change described in Section 10.5 hereof.

Section 10.4 Amendments to the Lease Purchase Agreement Requiring Owner Consent. Exclusive of amendments and modifications covered by Section 10.3 hereof, the Lease Purchase Agreement may be amended or modified only as provided in this Section 10.4 and in Section 10.5 of this Indenture. Subject to the terms and provisions contained in Section 10.5 of this Indenture, the Corporation and the owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the amendment or modification of the Lease Purchase Agreement. If at any time there is a proposed amendment or modification to the Lease Purchase Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such modification or amendment to be mailed to each of the owners of the Bonds at the address indicated on the registration books of the Trustee. Such notice shall briefly set forth the nature of the proposed amendment or modification and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bond owners. If, within 60 days, or such longer period as shall be prescribed by the Corporation, following the mailing of such notice, the owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such amendment or modification shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or to enjoin or restrain the parties thereto from executing the same or from taking any action pursuant to the provisions hereof.

Section 10.5 Consent Required Under Certain Circumstances for Amendment of Lease Purchase Agreement. Nothing contained in Sections 10.3 and 10.4 of this Indenture shall permit, or be construed as permitting, without the approval and consent of all of the owners of the Bonds, (1) a reduction in the amount of, or the extension of the time for, any payment of Base Rental due under the Lease Purchase Agreement; or (2) the termination of the Lease Purchase Agreement prior to the expiration of its stated term.

Section 10.6 Opinion Required for Amendment of Lease Purchase Agreement. Anything to the contrary herein notwithstanding, no amendment or modification of the Lease Purchase Agreement shall become effective unless and until the Trustee has been provided with an opinion of Bond Counsel to the effect that such amendment or modification will not have an adverse effect upon the validity of the Bonds and to the effect that such amendment or modification will maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes.

Section 10.7 Consent of the Division. Anything herein to the contrary notwithstanding, an amendment to the Lease Purchase Agreement under this Article 8 shall not become effective unless and until the Division shall have consented to the execution and delivery of such amendment to the Lease Purchase Agreement, unless an Event of Default thereunder has occurred and is continuing, and no amendment to the Lease Purchase Agreement shall without the prior written consent of the Division affect the date or amounts of payments required on the Bonds or required under the Lease Purchase Agreement.

Section 10.8 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Corporation.

Section 10.9 Reliance on Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Corporation, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

Section 10.10 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Corporation and the owners of Bonds then outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

Section 10.11 Notice to Rating Agencies. No supplemental indenture or amendment to the Lease Purchase Agreement shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Corporation, to Moody's Investors Service, FitchRatings, and Standard & Poor's Ratings Group of the intention to execute such supplemental indenture or amendment to the Lease Purchase Agreement.

ARTICLE 11 COVENANTS OF THE CORPORATION

Section 11.1 Payment of Principal, Premium and Interest. The Corporation covenants that it will promptly pay, or cause to be paid, the principal of, premium, if any, and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Corporation further covenants that it will faithfully perform at all times all of its covenants,

undertakings and agreements contained in this Indenture, the Lease Purchase Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Corporation pertaining thereto.

Section 11.2 Additional Security. The Corporation covenants, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

Section 11.3 Cure Title Defects. The Corporation covenants to promptly, upon the request of the Trustee, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Trustee and every owner of Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

Section 11.4 Defend Against Actions. The Corporation covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee or any owner of Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Corporation's, the Trustee's or such Bondholders' rights under this Indenture or the Lease Purchase Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee or any owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

Section 11.5 Non-Impairment of Security. The Corporation covenants that so long as any of the Bonds issued pursuant to this Indenture are outstanding and unpaid, the Corporation will not voluntarily consent to any amendment to the Lease Purchase Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Trustee or the security provided by this Indenture to the owners from time to time of the Bonds.

Section 11.6 Tax Matters. The Corporation covenants and agrees that, to the extent permitted by the laws of the State, it will comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") and the Lease Purchase Agreement, in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Corporation further covenants and agrees that it will not take any action, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Corporation to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or would result in the inclusion of the interest on any of the Bonds in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds, or (ii) the failure to pay any required rebate of arbitrage earnings to the United State of America

or to comply with any agreements relating to the payment of such required rebate, or (iii) the use or investment of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds”, or “arbitrage bonds” under the Code.

Section 11.7 Corporation’s Obligation Limited. Nothing in the Lease Purchase Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Corporation for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Corporation other than from the Trust Estate.

ARTICLE 12 DEFEASANCE

Section 12.1 Payment.

(a) When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Corporation such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re-convey to the Corporation any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Corporation, and the Trustee shall assign and deliver to the Corporation any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest and premium, if any, on and retirement of the Bonds.

(b) Notwithstanding the foregoing, the obligation of the Division to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the Lease Purchase Agreement.

Section 12.2 Provision for Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if any Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee, to the extent not required for the purposes of this Section, be paid to the Corporation as overpayment of Pledged Revenues.

Section 12.3 Certifications. The Corporation covenants and agrees that it will furnish to the Trustee:

(a) Certificates or opinions made by officers of the Corporation required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled; and

(b) An opinion of Bond Counsel in form and substance satisfactory to the Trustee to the effect that the payment of the Bonds has been provided for in the manner set forth in the Indenture and that all obligations of the Corporation with respect to the Bonds have been discharged and satisfied.

ARTICLE 13 MISCELLANEOUS

Section 13.1 Covenants of Corporation Binds its Successors. In the event of the dissolution of the Corporation, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Corporation shall bind or inure to the benefit of the successor or successors of the Corporation from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Corporation" as used in this Indenture shall include such successor or successors.

Section 13.2 Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Corporation and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

Section 13.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Trustee, the Corporation, and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation therein.

Section 13.4 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Corporation or of the Trustee.

Section 13.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Corporation only to the extent permitted by law.

Section 13.6 Consents and Approvals. Whenever the written consent or approval of the Trustee or the Corporation shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Section 13.7 Notices. All notices demands and requests to be given or made hereunder to or by the Trustee or the Corporation, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to the Corporation: Office Facilities Corporation
1201 North Third Street, Suite 7-160
Baton Rouge, Louisiana 70802
Attention: Executive Director

If to the Trustee: Hancock Whitney Bank
445 North Boulevard, Suite 201
Baton Rouge, Louisiana 70802
Attention: Elizabeth H. Zeigler

Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

Section 13.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

Section 13.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 13.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

Section 13.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Corporation and the Trustee shall constitute a third party beneficiary contract between the Corporation and the Trustee for the benefit of the owners of all Bonds issued hereunder.

Section 13.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

Section 13.13 Date of Indenture. The dating of this Indenture as of July 1, 2025 is intended as and for the convenient identification of this Indenture and is not intended to indicate that this Indenture

was executed and delivered on said date, this Indenture being executed on the dates of the respective acknowledgments hereto attached.

Section 13.14 Continuing Disclosure Certificate. The Corporation hereby covenants and agrees that it will comply with and carry out all of its duties under the Continuing Disclosure Certificate of the Corporation and will, in the Lease Purchase Agreement, require the Division to do likewise with respect to the Continuing Disclosure Certificate of the Division. Notwithstanding any other provision of this Indenture, failure of the Corporation to comply with the Continuing Disclosure Certificate of the Corporation shall not be considered an Event of Default hereunder; however, the Underwriter (as defined in the Continuing Disclosure Certificate) or the holders of at least a majority in aggregate principal amount of Outstanding Bonds, may), take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Corporation or the Division, as the case may be, to comply with their obligations under their respective Continuing Disclosure Certificate. The Trustee shall have no responsibility for the failure of the Corporation to report any material event and shall have no responsibility as to any determination by the Corporation of whether any event would constitute material information for holders of the Bonds.

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IN WITNESS WHEREOF, the Corporation has caused this Indenture to be executed by its President and has caused the seal of the Corporation to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a Trust Officer and its seal to be impressed hereon, all as of the day and year above written.

OFFICE FACILITIES CORPORATION

By: _____
President

ATTEST:

SEAL

By: _____
Secretary

HANCOCK WHITNEY BANK, as Trustee

By: _____
Elizabeth H. Zeigler, Senior Vice President
and Trust Officer

EXHIBIT A

FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Corporation or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referred to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York, and notwithstanding any other provision of the Indenture to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

United States of America
State of Louisiana

OFFICE FACILITIES CORPORATION
Lease Revenue Bonds
(Northwest Louisiana State Office Building Project)
Series 2025

No. R-__

\$ _____

INTEREST RATE		MATURITY DATE		DATED DATE		CUSIP
_____%		July 1, ____		, 2025		____

Registered Owner: Cede & Co. (Tax Identification Number: 13-2555119)

Principal Amount: _____ Dollars

The OFFICE FACILITIES CORPORATION (the “Corporation”), a nonprofit corporation organized under the laws of the State of Louisiana (the “State”), more particularly the Office Facilities Corporation Act (La. R.S. 39:1798 through 1798.14 inclusive) (the “Act”) for the purpose of financing the acquisition, purchase, construction, renovation and improvement or expansion of public facilities for lease to the State, for value received, hereby promises to pay from the source and as hereinafter provided, to the Registered Owner (named above), or registered assigns, on the Maturity Date (stated above), the Principal Amount (stated above) subject to rights of prior redemption as provided hereinafter, and to pay interest on said sum on each January 1 and July 1, commencing January 1, 2026 (each an “Interest Payment Date”), from the Date of this Bond (stated above) at the rate of interest per annum shown above until said principal sum is paid. The principal of and interest on this Bond are payable in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of private debts. The principal on this Bond shall be payable to the registered owner hereof or his

assigns upon surrender hereof at the principal corporate trust office of Hancock Whitney Bank, as trustee (the “Trustee”). The interest on this Bond, when due and payable, shall be paid by check or draft mailed by the Trustee, on the Interest Payment Date, to the person in whose name this Bond is registered at his address as it appears on the Bond Register maintained by the Trustee at the close of business on the December 15 or June 15, as the case may be, next preceding such Interest Payment Date, or if such day shall not be a Business Day, the next preceding Business Day (the “Record Date”), irrespective of any transfer or exchange of this Bond subsequent to such Record Date and prior to such Interest Payment Date, unless the Corporation shall default in payment of interest due on such Interest Payment Date, provided that an owner of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owner has requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the person in whose name this Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owner of this Bond not less than 15 days preceding such special record date.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter defined Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Bond is one of the duly authorized issue of the Corporation’s Lease Revenue Bonds (Northwest Louisiana State Office Building Project) Series 2025 (the “Bonds”), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Corporation is issuing \$_____ aggregate principal amount of Bonds to provide funds to: (i) finance the design, construction, reconstruction, furnishing and equipping of a State office building located in Shreveport, Louisiana (ii) fund capitalized interest on the Bonds and (iii) pay costs of issuance on the Bonds, including the premium for a bond insurance policy with respect to the Bonds and a debt service reserve fund surety policy, if necessary.

The Bonds are issued pursuant to the laws of the State, particularly the Act, and pursuant to a Trust Indenture dated as of July 1, 2025 between the Corporation and Hancock Whitney Bank, as trustee (the “Trustee”), (the “Indenture”). Reference is hereby made to the Indenture, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and condition under which the Bonds are issued and secured, the terms and conditions under which Additional Bonds may be issued and secured, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Bonds. The registered owner of this Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Bond, the owner hereof assents to all of the provisions of the Indenture and the Assignment (hereinafter defined). All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Bonds are issuable in Authorized Denominations and the Bonds are numbered R-1 upwards. The Bonds are limited and special revenue obligations of the Corporation payable solely from (i) Pledged Revenues; (ii) all right, title and interest of the Corporation in, to and under the Agreement to Lease With Purchase dated as of July 1, 2025 (the “Lease Purchase Agreement”) between the Corporation

and the State through the Division of Administration (the “*Division*”) and (iii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the “*Trust Estate*.” “*Pledged Revenues*” is defined in the Indenture as (1) the Base Rental and all other payments required to be paid to the Corporation by the Division pursuant to the Lease Purchase Agreement (other than Additional Rental), (2) all rents, issues, receipts and profits derived by the Corporation from the use or occupancy of any of the Leased Facilities, (3) all earnings from the investment of moneys from time to time held by the Trustee in any fund or account, established pursuant to the Indenture, (4) all proceeds of insurance (including rental interruption insurance, if any) received or receivable by the Corporation as a result of any damage to or destruction of any of the Leased Facilities, all awards received or receivable by the Corporation as a result of the taking or use of the Leased Facilities or any part thereof, under the power of eminent domain and all amounts received or receivable by the Corporation as compensation for the transfer of any of the Leased Facilities, or any part thereof, in lieu of a taking or use of such Leased Facilities or part thereof, under the powers of eminent domain, but only to the extent that such proceeds, award or compensation is not used for the restoration, repair or reconstruction of the Leased Facilities to which such proceeds, award or compensation is attributable, (5) all amounts received or receivable by the Corporation from the sale of any Leased Facilities or any part thereof, (6) all amounts collected under payment and the performance bonds maintained with respect to any Leased Facilities (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which are received by the Corporation and which may be pledged by the Corporation pursuant to the Indenture and (7) any and all additional revenues, income, receipts and other payments (including, without limitation, grants, donations, gifts and appropriations received from any private or public source) which hereafter are received by the Corporation and which hereafter are pledged by the Corporation pursuant to the Trust Indenture.

The Bonds are also entitled to the benefits of an Assignment of Pledged Revenues and Security Agreement dated as of July 1, 2025 (the “*Assignment*”) pursuant to which the Corporation has assigned its Pledged Revenues to Hancock Whitney Bank, as Assignee, for the benefit of the Trustee. The Pledged Revenues may be further assigned by the Corporation to secure certain future obligations of the Corporation on a parity with the Bonds and the other obligations secured by the Assignment in the manner provided in the Assignment. The Assignment may be terminated under certain conditions which are specifically described therein.

THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE CORPORATION AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY AGENCY, BOARD OR POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE CORPORATION (WHICH HAS NO TAXING POWER AND RECEIVES NO FUNDS FROM ANY GOVERNMENTAL BODY) BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE CORPORATION PAYABLE SOLELY FROM THE PLEDGED REVENUES AND THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE INCOME, REVENUES AND RECEIPTS DERIVED OR TO BE DERIVED FROM PAYMENTS MADE PURSUANT TO THE LEASE PURCHASE AGREEMENT AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE ASSIGNMENT.

EXCHANGE AND TRANSFER OF BONDS

As long as any of the Bonds remain outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Bonds, the Corporation or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Bond during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on and after [July 1, 20__], are subject to redemption prior to maturity at the option of the Corporation, on or after [July 1, 20__], as a whole at any time, or in part on any Interest Payment Date, by the Trustee by lot, at par plus accrued interest to the redemption date.

Extraordinary Mandatory Redemption.

(a) The Bonds are subject to redemption in whole at any time at a price equal to the principal amount thereof plus accrued interest to the redemption date, but without premium, in the event the Corporation is required or ordered by legislative, judicial or administrative action of the United States of America or the State or any agency, department or subdivision thereof to operate the Facility in a manner inconsistent with the stated goals, purposes and policies of the Corporation.

(b) The Bonds shall be redeemed as a whole at any time on or after [July 1, 20__] on which the Division elects to purchase the Facility pursuant to Section 23 of the Lease Purchase Agreement, at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest to the date of redemption.

(c) The Bonds shall be redeemed as a whole or in part (in any integral multiple of \$5,000) at any time, at a price equal to the principal amount of the Bonds to be redeemed plus accrued and unpaid interest to the date of redemption, but without premium, in an aggregate principal amount equal to the proceeds of any sale or re-letting of the Facility following a termination of the Lease Purchase Agreement that are received at least 30 days prior to such redemption date.

(d) The Bonds shall be redeemed as a whole or in part (in any integral multiple of \$5,000) at any time at least 30 days after the Trustee receives notice that any insurance proceeds, condemnation award or payment in lieu of condemnation with respect to the Facility will not be applied to the restoration, repair or reconstruction of the Facility at a price equal to the principal amount of the Bonds so redeemed plus accrued and unpaid interest thereon to the date of redemption, in an aggregate principal amount equal to the amount of such insurance proceeds, condemnation award or payment in lieu of condemnation not applied to the restoration, repair or reconstruction. If the amount of any insurance proceeds, condemnation

award or payment in lieu of condemnation to be applied in redemption of the Bonds is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed pursuant to this subparagraph (e) shall be decreased to the next lower multiple of \$5,000.

Unless otherwise specified above, if less than all of the Bonds shall be called for redemption, the maturity of the Bonds to be redeemed shall be designated by the Corporation and selected by the Trustee within a maturity by lot; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of an Authorized Denomination. If a portion of any Bond shall be called for redemption, a new Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

At least 30 days before the redemption date of any Bonds, the Trustee shall cause a notice of any such redemption to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued. Notwithstanding the foregoing, no notice of redemption shall be given unless there shall have first been deposited with the Trustee funds sufficient to effect said redemption.

Modifications or alterations of the Indenture or any agreement supplemental thereto or of the Lease Purchase Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Lease Purchase Agreement. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the owners of the Bonds at any time with the consent of the owners of a majority in aggregate principal amount of all Bonds at the time outstanding. The Indenture also contains provisions permitting the owners of a majority in aggregate principal amount of all Bonds at the time outstanding, on behalf of the owners of all Bonds, to waive compliance by the Corporation with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the owner of this Bond shall be conclusive and binding upon such owner and all future owners of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

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IN WITNESS WHEREOF, the Office Facilities Corporation has caused this Bond to be executed in its name with the manual or facsimile signature of its President, and to be attested, signed, subscribed and executed with the manual or facsimile signature of its Secretary, all as of July __ 9, 2025.

OFFICE FACILITIES CORPORATION

By: _____
President

ATTEST:

By: _____
Secretary-Treasurer

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

HANCOCK WHITNEY BANK, as Trustee

By: _____
Authorized Officer

DATE OF AUTHENTICATION:

July __, 2025

STATEMENT OF INSURANCE

Assured Guaranty Inc. (“AG”) has delivered its municipal bond insurance policy (the “*Policy*”) with respect to the scheduled payments of principal of an interest on this Bond to Hancock Whitney Bank, Baton Rouge, Louisiana, or its successor, as Trustee for the Bonds (the “*Trustee*”). Said Policy is on file and available for inspection at the principal office of the Trustee and a copy thereof may be obtained from AG or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AG as more fully set forth in the Policy.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address, including Zip Code, and Federal Taxpayer Identification or Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature guaranteed by: _____

NOTICE: Signature must be guaranteed by a Participant in the Securities Transfer Agent Medallion Program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

CERTIFICATE AS TO LEGAL OPINION

The undersigned hereby certifies that the following approving legal opinion of Jones Walker LLP, Baton Rouge, Louisiana, in substantially the following form was delivered to the Office Facilities Corporation, and that the opinion was dated and issued as of the date of original delivery of and payment to the Corporation for the Bonds.

OFFICE FACILITIES CORPORATION

By: _____
_____, Secretary

EXHIBIT B

FORM OF PROJECT FUND REQUISITION

\$75,000,000
Office Facilities Corporation
Lease Revenue Bonds
(Northwest State Office Building Project)
Series 2025

Hancock Whitney Bank, as trustee
445 North Boulevard, Suite 201
Baton Rouge, Louisiana 70802
Attn: Elizabeth H. Zeigler

Date: _____

Requisition Number: _____

The undersigned Authorized Corporation Representative, acting for and on behalf of the Office Facilities Corporation (the "*Corporation*") pursuant to a Trust Indenture dated as of _____ 1, 2025 (the "*Indenture*") by and between the Corporation and Hancock Whitney Bank, as trustee, relating to the above captioned issue of Bonds (the "*Bonds*") hereby requests payment be made from amounts on deposit in the Project Fund held by the Trustee pursuant to Section 4.8 of the Indenture to the person, firm or corporation in the amount and for the purpose set forth below.

Name and address of payee:

Amount of Payment: \$ _____

Purpose of Payment and costs heretofore paid and remainder of budgeted costs:

The undersigned Authorized Corporation Representative further certifies with respect to this Requisition as follows:

1. The amount paid to be paid, as set forth herein, has been incurred by the Corporation and is either (i) presently due and payable or (ii) has been paid by the Corporation and is a proper charge against the Project Fund created pursuant to the Indenture and has not been the subject of any prior requisition;

2. This requisition contains no item representing payment on account of any retainage to which the Corporation is entitled as of this date; and

3. All work, materials, supplies and equipment which are the subject of this requisition have been performed or delivered to the satisfaction of the undersigned.

OFFICE FACILITIES CORPORATION

By: _____

Name:

Title:

Authorized Corporation Representative

Paid: _____, 20__

Authorized Officer of Trustee:

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$75,000,000*

OFFICE FACILITIES CORPORATION

Lease Revenue Bonds

(Northwest Louisiana State Office Building Project),

Series 2025

This Continuing Disclosure Certificate (the “**Disclosure Certificate**”) is executed and delivered by the Division of Administration of the State of Louisiana (the “**Division**”), on behalf of the State of Louisiana (the “**State**”), in connection with the issuance by the Office Facilities Corporation \$75,000,000* Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025 (the “**Bonds**”). The Division covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate.

(a) This Disclosure Certificate is being executed and delivered by the Division, acting on behalf of the State, for the benefit of the Bondholders and the Beneficial Owners and in order to assist the Participating Underwriters in complying with subsection (b)(5) of the Rule.

(b) In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same or shall own beneficial ownership interests therein from time to time, this Disclosure Certificate shall be deemed to be and shall constitute a contract between the Division, acting on behalf of the State, and the Bondholders and Beneficial Owners from time to time of the Bonds, and the covenants and agreements herein set forth to be performed on behalf of the State shall be for the benefit of the Bondholders and Beneficial Owners of any and all of the Bonds.

SECTION 2. Definitions. The following capitalized terms shall have the following meanings in this Disclosure Certificate:

“**Annual Report**” shall mean any Annual Report provided by the State pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“**Audited Financial Report**” shall mean the State’s Annual Comprehensive Financial Report.

“**Beneficial Owner**” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“**Bondholders**” when used with reference to a Bond or Bonds, shall mean the registered owner of any outstanding Bond or Bonds.

* Preliminary, subject to change.

“Bond Resolution” shall mean collectively the resolutions adopted by the Office Facilities Corporation on July 25, 2024 and May 14, 2025, authorizing the issuance of the Bonds by the State.

“Division” shall mean the Division of Administration of the State of Louisiana.

“Dissemination Agent” shall mean the Division, or any successor Dissemination Agent appointed in writing by the State and that has filed with the State a written acceptance of such appointment.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB. As of the date of this Disclosure Certificate, the EMMA Internet Web site address is <http://www.emma.msrb.org>.

“GAAP” shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Division as the single centralized repository for the collection and availability of continuing disclosure documents for purposes of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board

Electronic Municipal Market Access Center

www.emma.msrb.org

“1934 Act” shall mean the Securities Exchange Act of 1934, as amended.

“Official Statement” shall mean the final Official Statement for the Bonds dated [_____, 2025].

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the primary offering of the Bonds.

“Rule” shall mean Rule 15c2-12 promulgated by the SEC pursuant to the 1934 Act, as the same may be amended from time to time, together with all interpretive guidance or other official interpretations or explanations thereof that are promulgated by the SEC.

“SEC” shall mean the Securities and Exchange Commission.

“Securities Counsel” shall mean legal counsel expert in federal securities law.

“*State*” shall mean the State of Louisiana.

SECTION 3. Provision of Annual Reports.

(a) On or before January 26th of each year, commencing January 26, 2026, the Division shall provide, or shall cause the Dissemination Agent to provide, to the MSRB an Annual Report for the preceding fiscal year that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Division shall provide the Annual Report to the Dissemination Agent (if other than the Division). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may include by specific reference other information as provided in Section 4 of this Disclosure Certificate;

(b) If the Division is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Division shall send a notice, in a timely manner, to the MSRB, in substantially the form attached as Exhibit A.

(c) If the State’s fiscal year changes, the Division shall send written notice of such change to the MSRB, in substantially the form attached as Exhibit B.

(d) The Dissemination Agent shall, if the Dissemination Agent is other than the Division, file a report with the Division certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

(e) In connection with providing the Annual Report, the Dissemination Agent (if other than the Division) is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the Annual Report for purposes of the Rule or any other state or federal securities law, rule, regulation, or administrative order.

SECTION 4. Content of Annual Reports. The State’s Annual Report shall contain or include by reference the following:

(a) The Audited Financial Statements of the State for its fiscal year immediately preceding the due date of the Annual Report. The audited financial statements of the State shall not include any supplemental financial statements of the State. Any supplemental financial statements of the State shall be filed by the Division, on behalf of the State, pursuant to Section 10 hereof, upon receipt by the Division of such supplemental financial statements of the State, if any.

(b) Any change in the basis of accounting used by the State in reporting its financial statements. The State follows GAAP principles and mandated Louisiana statutory accounting requirements as in effect from time to time. In the event of any material change in such requirements the impact of such changes will be described in the Annual Report of the year such change occurs.

(c) The operating and financial information set forth in the Official Statement, including PART I and PART II thereto.

The State's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with State law.

The Division reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Division reserves the right to modify, from time to time, the specific types of information provided or the format of the presentations of such information, to the extent necessary or appropriate in the judgment of the Division; provided however, that the Division agrees that any modifications will be made consistent with Section 9.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Division, on behalf of the State, or related public entities, which have been submitted to the MSRB. If the document incorporated by reference is a deemed final official statement, it shall be available from the MSRB. The Division shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Listed Events.

(a) The Division covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence of the event. Each notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property, if any, securing repayment of the Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership, or similar event of the State;⁽¹⁾

(13) the consummation of a merger, consolidation, or acquisition involving the State or the sale of all or substantially all of the assets of the State, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation⁽²⁾ of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the State, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation⁽²⁾ of the obligated person, any of which reflect financial difficulties.

(b) In connection with providing a notice of the occurrence of a Listed Event, the Dissemination Agent (if other than the Division), solely in its capacity as such, is not obligated or responsible under this Disclosure Certificate to determine the sufficiency of the content of the notice for purposes of the Rule or any other state or federal securities law, rule, regulation, or administrative order.

(c) The Division acknowledges that the “rating changes” referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Division is liable.

(d) The Division acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary

⁽¹⁾ For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the State in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the State, or if such jurisdiction has been assumed by leaving the existing government body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction of substantially all of the assets or business of the State.

⁽²⁾ For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of “financial obligation” are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term “debt obligation” generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

offering of the Bonds, the State does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Mandatory Electronic Filing with EMMA. All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org>, as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. Termination of Reporting Obligation.

(a) The Division's obligations under this Disclosure Certificate shall terminate upon the legal defeasance of the Bonds or the prior redemption or payment in full of all of the Bonds.

(b) This Disclosure Certificate, or any provision hereof, shall be null and void in the event that the State (i) receives an opinion of Securities Counsel, addressed to the State, to the effect that those portions of the Rule that require such provisions of this Disclosure Certificate, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, amended, or modified, or are otherwise deemed to be inapplicable to the Bonds, as shall be specified in such opinion and (ii) files notice to such effect with the MSRB.

SECTION 8. Dissemination Agent. The State, from time to time, may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the Division. Except as otherwise provided in this Disclosure Certificate, the Dissemination Agent (if other than the Division) shall not be responsible in any manner for the content of any notice or report prepared by the Division pursuant to this Disclosure Certificate.

SECTION 9. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(1) if the amendment or waiver relates to the provisions of Section 3(a), (b), (c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature, or status of the State or the type of business conducted by the State;

(2) this Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) the amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the State shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Division or the Dissemination Agent (if other than the Division) at the written direction of the State, with the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Division from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the State chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Division shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Failure to Comply. In the event of a failure of the Division or the Dissemination Agent (if other than the Division) to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may bring an action to obtain specific performance of the obligations of the Division or the Dissemination Agent (if other than the Division) under this Disclosure Certificate, but no person or entity shall be entitled to recover monetary damages hereunder under any circumstances, and any failure to comply with the obligations under this Disclosure Certificate shall not constitute a default with respect to the Bonds or under the Bond Resolution.

SECTION 12. Duties of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the State, the Division, the Dissemination Agent (if other than the Division), the Participating

Underwriters, the Bondholders, and the Beneficial Owners, and shall create no rights in any other person or entity.

SECTION 14. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate and, in the sole determination of the Division or the Dissemination Agent (if other than the Division), as applicable, subject to technical and economic feasibility, the Division or the Dissemination Agent (if other than the Division), as applicable, shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 15. Additional Disclosure Obligations. The Division acknowledges and understands that other State and federal laws, including, without limitation, the Securities Act of 1933, as amended, and Rule 10b-5 promulgated by the SEC pursuant to the 1934 Act, may apply to the State, and that under some circumstances, compliance with this Disclosure Certificate, without additional disclosures or other action, may not fully discharge all duties and obligations of the Division under such laws.

SECTION 16. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

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STATE OF LOUISIANA, acting through the
Division of Administration

By: _____

Taylor F. Barras
Commissioner of Administration

Dated: _____, 2025

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Persons: Division of Administration, State of Louisiana

Name of Bond Issue: \$_____ Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025

Date of Bonds: _____, 2025

NOTICE IS HEREBY GIVEN that the Division of Administration, State of Louisiana has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of its Continuing Disclosure Certificate with respect to the Bonds. The Division of Administration, State of Louisiana anticipates that the Annual Report will be filed by _____.

STATE OF LOUISIANA, acting through the
Division of Administration

By: _____
Commissioner of Administration

Dated: _____

EXHIBIT B

NOTICE OF CHANGE IN STATE'S FISCAL YEAR

Name of Obligated Persons: Division of Administration, State of Louisiana

Name of Bond Issue: \$_____ Lease Revenue Bonds (Northwest Louisiana State Office Building Project), Series 2025

Date of Bonds: _____, 2025

NOTICE IS HEREBY GIVEN that the fiscal year of the State of Louisiana changed. Previously, the State's fiscal year ended on _____. It now ends on _____.

STATE OF LOUISIANA, acting through the
Division of Administration

By: _____
Commissioner of Administration

Dated: _____

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APPENDIX D

[Conceptual Rendering of the Facility]



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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No.: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500 (8/24)

