

RESOLUTION NO. 07-070

**A RESOLUTION APPROVING AN ECONOMIC
CONTRACT BETWEEN RHORER-MONIOTTE
INVESTMENTS, LLC. DBA DESSELLE-MAGGARD
CORPORATION (DMC) AND THE CITY OF PORT
ARTHUR SECTION 4A ECONOMIC
DEVELOPMENT CORPORATION.**

WHEREAS, the City Council deems it in the public interest to authorize the City of Port Arthur Section 4A Economic Development Corporation to enter into an economic incentive agreement with Rhorer – Moniotte Investments LLC. dba Desselle-Maggard Corporation (DMC);and

WHEREAS, Germer Gertz has indicated this as a Section 4A project and has provided the executive summary as denoted in Exhibit “A”;and

WHEREAS, Rhorer – Moniotte Investments, LLC. dba Desselle Maggard Corporation (DMC) has reviewed and approved the agreement as denoted in Exhibit “B”.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF PORT ARTHUR:**

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That the City of Port Arthur Section 4A Economic Development Corporation is herein authorized to enter into an economic incentive agreement with Desselle-Maggard Corporation (DMC) and the President and Secretary of the City of Port Arthur Section 4A Economic Development Corporation are authorized to sign the agreement in substantially the same form as denoted in Exhibit “C”

Section 3. That a copy of this Resolution shall be spread upon the Minutes of the

City Council.

READ, ADOPTED AND APPROVED ON THE 14th day of February

A.D. 2007, at a Regular Meeting of the City Council of the City of Port Arthur, Texas by

the following vote:

AYES: Mayor Pro Tem Prince;

City Council: Lewis, Barker, Henderson,
Flood, Beard, Williamson
and Viniegal.

NOES: None.

Deloris Prince
MAYOR PRO TEM PRINCE

Attest:

Evangeline Green
EVANGELINE GREEN, CITY SECRETARY

APPROVED AS TO FORM:

Floyd Batiste
Floyd Batiste, CEO

SEE CONFIDENTIAL MEMO
MARK T. SOKOLOW, CITY ATTORNEY

Ang N. Dodson "p RMW"
Germer Gertz, L.L.P.

EXHIBIT “A”

February 12, 2007

Mr. Mark Sokolow
Port Arthur City Attorney
Port Arthur, Texas

*Re: Desselle-Maggard Corp.; GG File #70966
Contract for submission to the City Attorney for City Council approval*

Dear Mr. Sokolow:

Included is a draft of the Economic Incentive Contract and Loan Agreement between the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") and Rhorer-Moniotte Investments, L.L.C., d/b/a Desselle-Maggard Corp. The Agreement and Executive Summary has been prepared and approved by Germer Gertz, L.L.P. as to its legality, and the project is an eligible Section 4A project.

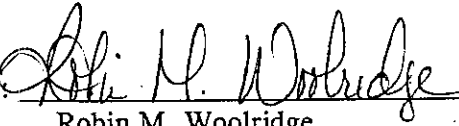
The Agreement included with the Resolution for approval was not the latest version with all changes made. Below is a summary of the changes made to the Agreement identified by footer, "Version for Council Approval 2/07/07":

- Executive Summary - 3rd paragraph: Total payroll distributed changed from \$6,988,800 to \$5,670,000 due to change in credit to payroll ratio;
- Footer Date;
- Agreement Dates - pg 1 of Agreement: Changed from January ___, 2007 to _____, 2007;
- Performance by DMC - pg 3 of Agreement: A sentence was added to the end of paragraph 3 to include the total payroll to be distributed; and
- Exhibit "D" Covenants and Restrictions of the Business Park - Appendix A is the legal description of the entire 297.960 acre tract of the Business Park.

Also included is a letter of approval from counsel for Desselle-Maggard Corp. and a second letter explaining closed lawsuits that were included as pending in the Dunn & Bradstreet report. Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

GERMER GERTZ, L.L.P.

By: 
Robin M. Woolridge

RMW

cc: Guy N. Goodson (*in the firm*)

EXHIBIT “B”

GUGLIELMO, MARKS, SCHUTTE, TERHOEVE & LOVE

(A REGISTERED LIMITED LIABILITY PARTNERSHIP)

Carey J. Guglielmo

Paul Marks, Jr.

Charles A. Schutte, Jr. (APLC)

Henry G. Terhoeve*

Glen Scott Love

Keith L. Richardson†

Andrew W. Eversberg°

Stephen Dale Cronin

Robert L. Graves

*Also Admitted in Texas

†Also Admitted in Georgia

°Also Admitted in Mississippi

ATTORNEYS AT LAW

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Charles A. Schutte, Jr.

Direct Dial Number: (225) 387-8330

Direct Fax Number: (225) 387-8230

E-Mail: cschutte@GMSTL.com

February 12, 2007

City of Port Arthur Section 4A Economic
Development Corporation
4173 39th Street
Port Arthur, TX 77642
Attention: Robin M. Woolridge

RE: Economic Incentive Contract and Loan Agreement between
Rhorer-Moniotte Investments, L.L.C., doing business as
Desselle-Maggard Corporation, and the City of Port Arthur
Section 4A Economic Development Corporation
("PAEDC")
GMSTL File No. 0152-0040

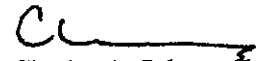
Dear Robin:

The revised Economic Incentive Contract & Loan Agreement received today is acceptable to Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC").

The two lawsuits you inquired about are closed files, and I have a courier getting the pleadings you requested from the courthouse. Hopefully, I can send those to you tomorrow.

Very truly yours,

GUGLIELMO, MARKS, SCHUTTE,
TERHOEVE & LOVE


Charles A. Schutte, Jr.

CASjr:lc

cc: Mr. Charles H. Moniotte

EXHIBIT “C”

**ECONOMIC INCENTIVE CONTRACT & LOAN AGREEMENT BETWEEN
THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION
&**

RHORER-MONIOTTE INVESTMENTS, L.L.C., DOING BUSINESS AS

DESSELLE-MAGGARD CORPORATION

Executive Summary

Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC") is a Louisiana limited liability company authorized to transact and transacting business in Texas. DMC's business includes: (a) the selling of new and/or used control valves, pumps, regulators, filtration equipment, test instruments, UPS systems, flame arrestors, steam traps, tank vents, valve actuators, analyzers, flow meters, transmitters, gages, process control computers and related instrumentation to industrial uses and processes (collectively the "equipment"); (b) repairing, servicing, balancing, and maintaining such equipment, and (c) providing fee based services such as consulting, training and education related to the equipment and the industrial uses of the equipment, process performance monitoring and reviews in connection with such equipment sold and installed by DMC and others (the "Services"). Current market demand for the Services that DMC provides in the geographic service area extending from Lake Charles, Louisiana and North Louisiana to Houston, Texas (the "Service Area") has caused DMC to initiate an expansion of its operations to Port Arthur, Texas. The City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") will assist DMC with the expansion of its operations by providing conditional Grant Funds and real property in the Port Arthur Business Park ("Park") in exchange for DMC's promise to create fulltime permanent jobs in Port Arthur, Texas.

Currently, DMC has operations in Baton Rouge, Louisiana and Orange, Texas. The Baton Rouge location will remain in operation. DMC's operation in Orange, Texas will move to Port Arthur, Texas, allowing DMC to operate its business from the geographic center of the Service Area. The City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") is granting DMC ten (10) acres of land in the Park (the "Real Property"), with an estimated fair market value of \$310,000, plus a \$500,000 conditional grant towards the construction of a building and improvements in the Park (the "PAEDC Grant"). DMC plans to design and build at least a 50,000 square foot building and improvements (the "Facility") in order to start operations in the Park by the end of 2007. Grow Port Arthur Fund will be providing a TWO MILLION AND NO/100 DOLLAR (\$2,000,000) loan to DMC towards the construction of the building and improvements in the Park. The Grow Port Arthur Fund will be administered and serviced by National Development Council – Grow America Fund, Inc.

In return for the PAEDC Grant, DMC promises to cause \$5,670,000 to be distributed in Port Arthur, Texas in payroll over the five-year term of the Agreement, as measured by IRS Forms W-2 and W-3, and all related benefits paid to each employee listed on the payroll. DMC will fulfill this total payroll promise by establishing 65 full-time, permanent employees, over a five (5) year period. The jobs will be high quality jobs, with competitive wage and benefits.

If DMC breaches this agreement, then the PAEDC Grant, minus any credits earned, will automatically convert to a loan made by the PAEDC to DMC, as liquidated damages and in lieu of any other damages (the "Loan"). The Loan will have a three year term, starting on the date of DMC's breach, and an interest rate of ten percent (10%). At the same time that PAEDC conveys the Real Property, DMC will execute a deed of trust to secure this loan in the event of a default by DMC. PAEDC may place DMC in default and foreclose on the property if DMC fails

to perform its obligations under the Loan.

DMC will earn credits to reduce the duration of this Agreement or to reduce liquidated damages in the event of a breach. Starting on the effective date of the Agreement, DMC will receive \$1.00 in credit for each \$7.00 in payroll.

To keep the PAEDC informed on its progress, DMC agrees to send PAEDC status reports, every three months for the first year and every six months thereafter, until issuance of a close out report. If DMC fails to timely submit a status report, then PAEDC shall place DMC on notice of its default, and DMC will forfeit its credits accruing during any reporting period for which it did not issue a status report if it fails to provide the status report within fifteen (15) days after receipt of the notice of default issued by PAEDC.

**ECONOMIC INCENTIVE & LOAN AGREEMENT BETWEEN
THE CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION**

AND

**RHORER-MONIOTTE INVESTMENTS, L.L.C., DOING BUSINESS AS
DESSELLE-MAGGARD CORPORATION**

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Exhibit "F"	Compliance Statement

ECONOMIC INCENTIVE CONTRACT & LOAN AGREEMENT

BETWEEN

**THE CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION**

AND

RHORER-MONIOTTE INVESTMENTS, L.L.C., DOING BUSINESS AS

DESSELLE-MAGGARD CORPORATION

INTRODUCTION

Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC") is a Louisiana limited liability company authorized to transact and transacting business in Texas. DMC's business includes: (a) the selling of new and/or used control valves, pumps, regulators, filtration equipment, test instruments, UPS systems, flame arrestors, steam traps, tank vents, valve actuators, analyzers, flow meters, transmitters, gages, process control computers and related instrumentation to industrial uses and processes (collectively the "equipment"); (b) repairing, servicing, balancing, and maintaining such equipment, and (c) providing fee based services such as consulting, training and education related to the equipment and the industrial uses of the equipment, process performance monitoring and reviews in connection with such equipment sold and installed by DMC and others (the "Services"). DMC has initiated an expansion of its operations to Port Arthur, Texas due to current market demand for its Services in the geographic area extending from Lake Charles, Louisiana and North Louisiana to Houston, Texas (the "Service Area"). The City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") will assist DMC with its expansion by providing conditional Grant Funds and real property in the Port Arthur Business Park (the "Park") in exchange for DMC's promise to cause fulltime permanent jobs to be established in Port Arthur, Texas.

AGREEMENT DATES

AGREEMENT START DATE

1. This Economic Incentive Contract and Loan Agreement ("Agreement") is executed on _____, 2007, by PAEDC and DMC, and shall be effective on April 1, 2007 (the "Effective Date").

AGREEMENT END DATE

2. This Agreement expires the earlier of December 31, 2012, or 30 days after DMC breaches the Agreement, subject to earlier termination or extension, voluntary or involuntary, as provided herein (the "Expiration Date"). The time period from the Effective Date through and including the Expiration Date shall be the term of the Agreement (the "Term").

PARTIES

3. City of Port Arthur Section 4A Economic Development Corporation ("PAEDC"), located at 4173-39th Street, Port Arthur, Texas, 77642, is a corporation. PAEDC represents and warrants that: (a) it is duly authorized to do business in the State of Texas under Section 4A, Article 5190.6 V.T.C.A. (the Development Corporation Act of 1979) and duly authorized by

Resolution of the City Council of the City of Port Arthur to enter into this Agreement; and (b) so authorized and as provided by the PAEDC bylaws, the President and Secretary of the PAEDC Board have the authority to execute this Agreement.

4. DMC certifies, represents, and warrants that it is a Louisiana limited liability company, and that its Manager, Charles H. Moniotte, is duly authorized to execute this Agreement.

PROMISED PERFORMANCE

5. The parties agree to perform as follows.

(a) PERFORMANCE BY PAEDC

- (1) PAEDC shall conditionally grant DMC up to \$500,000 (the "Grant Funds"), subject to the conditions and limitations herein, which DMC is not required to pay back, unless DMC breaches this Agreement and fails to timely cure its default after notice. If DMC breaches this Agreement and fails to timely cure its default after notice, then the Grant shall convert to a loan made by the PAEDC to DMC under the terms provided in the Conditional Commercial Promissory Note attached as Exhibit "A".
- (2) PAEDC shall pay DMC's invoices to reimburse DMC for its payments made for the Building and improvements to the Real Property within forty-five (45) days after receipt. These reimbursement payments up to the aggregate amount of \$500,000 are PAEDC's only obligations to make any payments under this Agreement.
- (3) PAEDC shall grant, transfer, and convey by Special Warranty Deed (Exhibit "C") to DMC a tract of land in the Park as described in Exhibit "B", containing approximately ten (10) acres (the "Real Property") with an estimated fair market value of THREE HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$310,000). DMC is not required to pay back the \$310,000 unless this Agreement is breached. If DMC breaches this Agreement, the \$310,000 grant plus the \$500,000 grant, minus any credits earned by DMC, shall automatically convert into a loan evidenced in Exhibit "A", Conditional Commercial Promissory Note, attached herein. Said conveyance will occur once DMC presents documents proving they are ready for construction and provides documentation of complete financing.
- (4) It is understood that the Deed of Trust (Exhibit "B") for the benefit of PAEDC shall constitute a second lien, junior in priority to a deed of trust on the same land and improvements for the benefit of Grow Port Arthur Fund who is lending DMC TWO MILLION AND NO/100 DOLLARS (\$2,000,000) for construction of building and real property improvements; however, in no case shall the senior lien exceed TWO MILLION AND NO/100 DOLLARS (\$2,000,000). In the event that PAEDC terminates the funding and ends the Agreement as permitted under paragraph 8, then the senior lien amount will increase to the amount of the Grant Funds not paid to DMC by PAEDC, not to exceed the aggregate amount of Two

Million Five Hundred Thousand Dollars (\$2,500,000), as it would be expected that Grow Port Arthur Fund will provide such funds. The Grow Port Arthur Fund will be administered by National Development Council – Grow America Fund, Inc.

(b) **PERFORMANCE BY DMC**

- (1) DMC will select an architect to design and a general contractor to construct a building of at least 50,000 square feet and improvements on the Real Property (the "Facility") that complies with the Park's covenants and restrictions. The contractor selected shall provide payment and performance bonds as to complete the project with the PAEDC being an additional insured thereon. The plans for the facility shall be submitted to the PAEDC Board for approval as soon as practicable following execution of this Agreement. The PAEDC Board shall have a period of thirty (30) days within to approve such plans or advise DMC of any reasonable objections to such plans with specific recommendations for resolution of such objections. DMC shall then have a period of fifteen (15) days within which to resubmit revised plans for approval of the PAEDC Board, which shall then have a period of fifteen (15) days within which to approve the resubmitted plans or advise DMC of any reasonable objections thereto. This process of approval or rejection for resubmission shall continue with the same fifteen (15) day limitations for each party as aforesaid until plans are ultimately approved in their entirety for the facility. The Park's covenants and restrictions are contained in *Exhibit D* and incorporated by reference into this Agreement in their entirety.
- (2) By the end of the Term, DMC promises to cause up to sixty-five (65) fulltime permanent jobs to be established at the Facility at an annual total payroll of \$1,892,800, as measured by Internal Revenue Service (IRS) forms W-2 and W-3, plus all related benefits paid to each employee listed on the payroll. DMC promises to cause up to \$5,670,000 to be distributed in Port, Arthur, Texas in payroll over the five-year term of the Agreement, as measured by Internal Revenue Service (IRS) forms W-2 and W-3, plus all related benefits paid to each employee listed on the payroll.
- (3) DMC promises that at least fifty percent (50%) of the employees working at the Facility are residents of Port Arthur, Texas.
- (4) Contemporaneously with PAEDC's grant of the Real Property to DMC, DMC will execute a Deed of Trust on both the Real Property and the Property Improvements, and shall perform all Grantor obligations, including the obligations added to protect the PAEDC as the junior lien holder, to wit:
 - a. provide the PAEDC copies of all notices, financial statements, reports and other information provided to the senior lien holder;
 - b. punctually pay or cause to be paid the principal and interest to become due in respect of the senior debt according to the term thereof;
 - c. perform all of its obligations under the senior lender documents;

- d. arrange for senior lien holder to send PAEDC notices of DMC defaults;
 - e. immediately report to PAEDC in writing any default by DMC under the senior lien;
 - f. immediately report to PAEDC in writing any tax, judgment, materialman's or mechanic's lien on the Real Property; and
 - g. in the event the PAEDC herein deems itself reasonably insecure in its ability to realize upon its junior lien in the Real Property, upon notice thereof to DMC, provide the PAEDC with such additional collateral as may reasonably secure the PAEDC's position, subject to the rights and restrictions imposed by the senior lien holder.
- (5) DMC shall not, without the prior written consent of PAEDC
 - a. materially alter any of the terms and conditions of the senior debt or increase the maximum indebtedness available to DMC under the senior lender documents; or
 - b. further encumber the Real Property.
 - (6) The funds paid to DMC by PAEDC under the Grant shall be exclusively used to reimburse DMC for its actual costs incurred in designing, developing, constructing, and finishing the Facility on the Real Property.
 - (7) On demand by PAEDC and in response to DMC'S failure to achieve a performance goal, DMC shall provide PAEDC with reasonable assurances, proposed by DMC and reasonably acceptable to PAEDC, that it has both the intention and the capabilities to perform fully its obligations under this Agreement.

(c) DMC CREDITS – SUBSTITUTE PERFORMANCE

DMC may earn credits (the "Performance Credits") according to the following terms, to either shorten the Term or reduce the amount of liquidated damages in the event DMC breaches the Agreement.

- (1) Starting on the effective date of the Agreement and for as long as DMC performs as specified in paragraph 5(b)(1) above, DMC will receive a \$1.00 credit for each \$7.00 of payroll paid to residents of Port Arthur, Texas working in permanent full time jobs at the Facility. Payroll paid to non-residents of Port Arthur, Texas shall not be credited.
- (2) For each year that DMC, in cooperation with the Port Arthur Independent School District and/or Lamar State College Port Arthur, facilitates a training program for area students and/or residents, DMC will earn \$20,000 in credit towards the Grant, with the details of such training program to be submitted and approved by PAEDC Board of Directors.
- (3) Total aggregate of the Performance Credits cannot exceed \$810,000, which is the maximum aggregate amount of the Grant Funds.

- (4) DMC will forfeit any Performance Credits earned during a time period for which a report is scheduled and not timely filed, if DMC fails to issue the report within fifteen (15) days after receipt of notice that the report is overdue.
- (5) Once DMC has earned Performance Credits equal to the actual amount of the Grant Funds paid to DMC, this Agreement and the Term thereof shall terminate pursuant to Section 2 hereinabove; however, the Conditional Commercial Promissory Note (Exhibit "A") and the Deed of Trust (Exhibit "B") shall remain in effect until the Note is paid in full.

MEASURING DMC'S PERFORMANCE

6. The failure to achieve a performance goal is not a breach of this Agreement, but such failure shall be grounds for PAEDC to withhold further payments to DMC, if DMC upon demand by PAEDC fails to provide reasonable assurances that it can and will fully perform its obligations under this Agreement, including copies of contracts, leases, sub-leases, or other documents demonstrating that DMC can perform all of its obligations under this Agreement. Failure to provide such reasonable assurances within fifteen (15) days following demand by PAEDC shall be a breach of this Agreement, and PAEDC may withhold any payments due under the Grant to DMC, until it provides the reasonable assurances requested by PAEDC.

7. DMC's performance shall be measured by DMC achieving the goals set forth in the following table by the dates shown:

DMC'S PERFORMANCE GOALS AND SCHEDULE

	<u>Date</u>	<u>Goal</u>
7.1	April 30, 2007	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from the effective date of this Agreement to March 31, 2007.
7.2	July 15, 2007	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period of April 1, 2007 to June 30, 2007.
7.3	Sept. 15, 2007	Intentionally deleted.
7.4	Oct. 15, 2007	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from July 1, 2007 to September 30, 2007.
7.5	Feb. 28, 2008	Issue a <u>status report</u> ³ to PAEDC'S Chief Executive Officer ("CEO") for the period from October 1, 2007 to January 31, 2008.
7.6	Mar. 15, 2008	Achieve performance of 25 full time, permanent employees; annualized payroll of \$728,000
7.7	Aug. 31, 2008	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from February 1, 2008 to July 31, 2008.
7.8	Sept. 15, 2008	Achieve performance of 30 full time, permanent employees; annualized payroll of \$873,600

7.9	Feb. 28, 2009	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from August 1, 2008 to January 31, 2009.
7.10	Mar. 15, 2009	Achieve performance of 45 full time, permanent employees; annualized payroll of \$1,310,400
7.11	Aug. 31, 2009	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from February 1, 2009 to July 31, 2009.
7.12	Sept. 15, 2009	Achieve performance of 55 full time, permanent employees; annualized payroll of \$1,601,600
7.13	Feb. 28, 2010	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from August 1, 2009 to January 31, 2010.
7.14	Aug. 31, 2010	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from February 1, 2010 to July 31, 2010.
7.15	Feb. 28, 2011	Issue a <u>status report</u> to PAEDC'S Chief Executive Officer ("CEO") for the period from August 1, 2010 to January 31, 2011.
7.16	Aug. 15, 2011	Achieve performance of 65 full time, permanent employees; annualized payroll of \$1,892,800
7.17	December. 31, 2011, or thirty (30) days after DMC fully performs.	Prepare a Close Out Report for presentation to the PAEDC Board at its December 2011 meeting. The PAEDC Board will determine if performance is complete.

Status reports shall include copies of invoices and checks making payments for assets purchased with the Grant Funds during the reporting period, quarterly balance sheets, quarterly profit and loss statements, and employee reports. As to job creation performance, interim status reports shall include documentation substantiating the accuracy of such reports, including, for example, 941 payment reports, Texas Workforce Commission reports, or other such reports confirming total jobs, payroll and other relevant information. Driver's license information is adequate to establish the residency of Port Arthur residents employed at the Facility. The objective of the Status Report is to include documentation necessary for PAEDC without further inquiry or investigation to determine the current amount of the Performance Credits that DMC has earned, and to verify that DMC is performing its obligations under this Agreement. All February status reports shall identify all members who own more than five percent (5%) of DMC and any assignee of DMC's rights or obligations under this Agreement. Year end reports shall be substantiated with IRS Forms W-2 and W-3, plus other documents establishing the amount of benefits paid to each employee listed.'

PAEDC'S CONDITIONAL OBLIGATIONS AND LIMITED LIABILITY

8. It is expressly understood and agreed by the parties hereto that the PAEDC funding obligations herein are contingent upon the actual receipt of adequate sales tax revenue funds to meet the PAEDC'S liabilities under this Agreement. If adequate funds are not available to make payments under this Agreement, the PAEDC shall notify DMC in writing within a reasonable time after such fact is reasonably determined by the PAEDC Board of Directors.

The PAEDC, at its sole option, may then terminate this Agreement without further liability. In the event of such termination by the PAEDC, the PAEDC may, at its sole option, immediately cease all further funding, if any, required by this Agreement and the PAEDC shall not be liable to DMC or to any third parties for failure to make payments to DMC under the terms and conditions of this Agreement.

9. The PAEDC shall not be liable under this Agreement, or otherwise, to DMC, or to any person or entity claiming by or through DMC, for any expense, expenditure or cost incurred by or on behalf of DMC related to the project made the basis of this Agreement. The PAEDC'S sole liability/obligations, if any, shall be to DMC and shall be limited to the conditional funding obligations detailed in this Agreement.

10. DMC shall not use the Grant Funds paid by PAEDC for any purpose(s) other than that specifically disclosed herein and as further disclosed within that certain application made by or on behalf of DMC, which application is incorporated herein for all purposes.

11. Grant Funds shall not be utilized by DMC for repayment of costs, expenditures or expenses incurred prior to the date of this Agreement.

LIQUIDATED DAMAGES FOR BREACH OF AGREEMENT BY DMC

12. In the event DMC fails to perform any of its obligations under this Agreement, following notice thereof from PAEDC and thirty-day (30-day) opportunity to cure the same, the PAEDC grant, minus any credits earned, will automatically without further notice convert to a loan, which shall be considered as liquidated damages paid in lieu of any other damages that may be claimed against DMC under this Agreement, effective on the day of breach, as agreed by DMC in the executed Conditional Commercial Promissory Note attached as Exhibit "A". Following such conversion to a loan as aforesaid, the PAEDC, at its sole option, may terminate its remaining funding obligations, if any, detailed in Section 5 herein. Further, in the event it is necessary for the PAEDC to retain an attorney to collect the Conditional Commercial Promissory Note, then the PAEDC shall be entitled to recover its reasonable and customary attorney's fees and court costs actually incurred in collection of said obligation and such remedies as are provided at law or in equity.

13. It is expressly understood and agreed by the parties that any right or remedy shall not preclude the exercise of any other right or remedy under this Agreement or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

RECORDS / INSPECTION / PAEDC AUDIT

14. DMC must establish and maintain sufficient records, as reasonably determined by the PAEDC, to account for the expenditure and utilization of funds received by DMC from PAEDC under the terms and conditions of this Agreement.

15. DMC shall maintain records of the receipt and disbursement of all funds provided hereunder as necessary to allow the PAEDC to verify by an audit the proper utilization of said funds in compliance with this Agreement and the representations and warranties contained

herein and in DMC'S application. DMC shall provide reports of utilization of said funds, as reasonably requested by the PAEDC, and upon final termination of this Agreement.

16. Upon ten-day (10-day) advance notice, DMC shall give the PAEDC and City of Port Arthur, or any of its duly authorized representatives, access to and right to examine all books, accounts, records, reports, files and other papers, things or property belonging to or in use by DMC. Such rights to access shall continue as long as the records are maintained by DMC. DMC agrees to maintain such records in an accessible location. All information obtained by the PAEDC, or its duly authorized representatives, shall be regarded as the proprietary, confidential business information of DMC and the PAEDC shall take reasonable measures to protect such information from disclosure to third parties; however, PAEDC is subject to the requirements of the Texas Open Meetings Act and Open Records Act (Tex.Gov.Code, 551 & 552) and may be required to disclose certain information and documents thereunder. Upon receipt of any request from a third party to inspect and copy any proprietary, confidential business information of DMC under the Texas Open Meetings Act and Open Records Act or any other law, PAEDC shall notify DMC in writing and DMC may at its expense seek an order from a court of proper jurisdiction to block the production of the proprietary, confidential business information of DMC, or to determine the conditions under which it will be disclosed and used to protect its proprietary, confidential business information. DMC agrees that disclosures to the public required by the Texas Open Meetings Act, Texas Open Records Act, or any other legal requirement will not expose PAEDC (or any party acting by, through or under PAEDC) to any claim, liability or action by DMC (or any party working by, through or under).

17. All records pertinent to this Agreement shall be retained by DMC at least three years following the expiration or termination of the Agreement for any reason. Further, in the event any litigation, claim or audit arising out of or related to this Agreement is instituted before the expiration of the three (3) year period and extends beyond the three year period, the records will be maintained until all litigation, claims or audit findings involving this Agreement and the records made the basis of same have been resolved. Further, records relating to the grant of the Real Property, including any long-term lease, shall be retained for a period equal to the useful life of any asset purchased with funds paid by PAEDC under the Grant.

18. DMC shall provide PAEDC with all reports necessary for PAEDC compliance with Article 5190.6 V.T.C.A.

19. It is expressly understood and agreed by the parties hereto that if DMC fails to submit to PAEDC in a timely and satisfactory manner any report required by this Agreement, PAEDC may, at its sole discretion, withhold further payments to DMC and/or demand assurances that DMC can and will fully perform its contractual obligations. If DMC fails to provide adequate assurances then DMC is in breach and any monies advanced by PAEDC shall automatically become part of the principal amount due under the Loan, represented by the Conditional Commercial Promissory Note. If PAEDC decides to withhold any payments due under the Grant for any reason, it shall notify DMC in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by PAEDC until such time as the default is cured and the delinquent obligations for which funds are withheld are performed by DMC.

20. The PAEDC reserves the right, from time to time, to carry out field inspections and audits to ensure compliance with the requirements of this Agreement. After completion of any such audit, the PAEDC may provide DMC with a written report of the audit findings. If the audit report details deficiencies in DMC'S performance under the terms and conditions of this

Agreement, the PAEDC may establish requirements for the timely correction of any such deficiencies by DMC. DMC shall be allowed a reasonable period of time, which shall be no less than thirty (30) days, to comply with the requirements set forth in the report.

HOLD HARMLESS

21. DMC agrees to hold harmless the PAEDC and the City of Port Arthur from any and all claims, demands, and causes of action of any kind or character which may be asserted by any third party occurring, arising out of or in any way related to this Agreement, the project made the basis of this Agreement, and the utilization of Grant Funds provided by this Agreement, provided that such claim, demand or cause of action does not arise from any negligence, malfeasance, fraud, or misconduct on the part of the PAEDC or the City of Port Arthur, or any agent, employee or representative of either.

SUBCONTRACTS

22. DMC shall not receive Performance Credits for persons employed or services provided at the Facility by any third party (a "Subcontractor") without obtaining PAEDC'S written approval, which may be withheld for any reason. DMC shall apply for Performance Credits for persons employed and services provided at the Facility by a Subcontractor by submitting a Subcontractor Eligibility Request, as specified by PAEDC, for each proposed subcontract, and DMC has obtained PAEDC'S prior written approval. DMC, in subcontracting for any Performance Credits described in this Agreement, expressly understands that in entering into such subcontracts, PAEDC is in no way liable to DMC's Subcontractor.

23. In no event shall PAEDC'S prior written approval of a Subcontractor's eligibility, be construed as relieving DMC of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all terms of this Agreement, as if such performances rendered were rendered by DMC. PAEDC'S approval does not constitute adoption, ratification, or acceptance of DMC's or Subcontractor's performance hereunder. PAEDC maintains the right to insist upon DMC'S full compliance with the terms of this Agreement, and by any act of Subcontractor approval, PAEDC does not waive any right of action which may exist or which may subsequently accrue to PAEDC under this Agreement.

24. DMC, as well as all of its approved Subcontractors, shall comply with all applicable federal, state, and local laws, regulations, and ordinances for making procurement under this Agreement.

CONFLICT OF INTEREST / DISCLOSURE OBLIGATION

25. Conflict of Interest: No employee, agent, officer or elected or appointed official of the City of Port Arthur or the PAEDC who has participated in a decision making process related to this Agreement (without recusing him/herself and executing a conflict affidavit) may obtain a personal or financial interest or benefit from any PAEDC assisted activity, or have an interest in any contract, subcontract, or agreement (or proceeds thereof) with respect to any PAEDC assisted activity, during their tenure or for one (1) year thereafter. Insofar as relates to the conduct hereunder of DMC, its agents, employees or representatives, DMC shall ensure compliance with applicable provisions under Article 5190.6 V.T.C.A. and Chapter 171 Local Government Code V.T.C.A.

26. Disclosure: In conjunction with execution of this Agreement, DMC has fully disclosed to PAEDC all known and potential owners of interests in DMC (whether stockholder,

manager, member or otherwise). In the event of any change in ownership or control of DMC of five percent (5%) or greater, DMC shall notify PAEDC in writing. Further, DMC shall be obligated to notify in writing the PAEDC in the event any time prior to, during or one (1) year after the Term of this Agreement, any City or PAEDC employee or representative or any third party with a conflict of interest obtains or proposes to obtain a financial benefit, direct or indirect, from DMC. Failure to provide said notice immediately or no later than five (5) business days after receipt of information shall constitute a default herein.

NONDISCRIMINATION / EMPLOYMENT / REPORTING

27. DMC shall ensure that no person shall on the grounds of race, color, religion, sex, handicap, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Grant Funds provided under this Agreement. Additionally, DMC shall use its best efforts to insure that Grant Funds are used in accordance with the following requirements:

- (a) Opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with PAEDC funds provided under this Agreement be given to residents of Port Arthur, Texas;
- (b) Agreements for work to be performed in connection with any such project be awarded to residents of and businesses located in Port Arthur, Texas, including, but not limited to, individuals or firms doing business in planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the City of Port Arthur, Texas.
- (c) If DMC advertises for employment then it will advertise in the Port Arthur News; however, PAEDC has no intent to restrain advertising in additional publications or media.

LEGAL AUTHORITY

28. DMC represents and warrants that Charles H. Moniotte is duly authorized to: (a) execute this Agreement, (b) receive Grant Funds authorized by this Agreement, and (c) obligate DMC to perform the services DMC has agreed to perform hereunder. DMC has provided, and will in the future provide, as requested by the PAEDC, any resolutions, certificates, or unanimous consents necessary to evidence this authority.

29. The person or persons signing and executing this Agreement on behalf of DMC, or representing themselves as signing and executing this Agreement on behalf of DMC, do hereby warrant and guarantee that he, she, or they have been duly authorized by DMC to execute this Agreement on behalf of DMC and to validly and legally bind DMC to all terms, performances, and provisions herein set forth.

NOTICE OF LEGAL OR REGULATORY CLAIMS AGAINST DMC

30. DMC shall give PAEDC immediate notice in writing of (a) any legal or regulatory action, including any proceeding before an administrative agency filed against DMC, directly or indirectly; and (b) any material claim against DMC, which may impact its continued operations at the Facility. For purposes herein, "material" claims shall mean claims in excess of \$5,000.

Except as otherwise directed by PAEDC, DMC shall furnish immediately to PAEDC copies of all pertinent documentation of any kind received by DMC with respect to such action or claim.

CHANGES AND AMENDMENTS

31. Except as specifically provided otherwise in this Agreement, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment in writing and executed by all parties to this Agreement. Such amendments must be approved by the PAEDC Board of Directors and, in many cases, by the City of Port Arthur, City Council.

32. It is understood and agreed by the parties hereto that performances under this Agreement must be rendered in accordance with Article 5190.6 V.T.C.A. (the Development Corporation act of 1979), the regulations promulgated under Article 5190.6 V.T.C.A., the assurances and certifications made to PAEDC by DMC, and the assurances and certifications made to the City of Port Arthur with regard to the operation of the PAEDC'S Projects. Based on these considerations, and in order to ensure the legal and effective performance of this Agreement by all parties, it is agreed by the parties hereto that the performances under this Agreement are by the provisions of the PAEDC Program and any amendments thereto and may further be amended in the following manner: PAEDC may from time to time during the period of performance of this Agreement issue policy directives which serve to interpret, or clarify performance requirements under this Agreement. Such policy directives shall be promulgated by the PAEDC Board of Directors in the form of PAEDC directives, shall be approved by the City Council and shall have the effect of qualifying the terms of this Agreement and shall be binding upon DMC, as if written herein; however, no directive may substantially affect the rights or obligations of DMC under this Agreement *ex post facto*.

33. Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in Federal, state law or local law are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation; however, no changes in the law may substantially affect the rights or obligations of DMC under this Agreement *ex post facto*.

DEFAULT / TERMINATION

34. In the event of default of any of the obligations of DMC detailed herein or in the event of breach of any of the representations of or warranties of DMC either detailed herein or in DMC'S application to the PAEDC, and following any notice and opportunity to cure provided for in this Agreement, the PAEDC may, at its sole option, terminate this Agreement, in whole or in part. In the event of such termination, the PAEDC may, at its sole option, utilize one or more of the following actions to resolve or otherwise remedy said default:

- (a) Declare the Conditional Commercial Promissory Note executed in conjunction with this Agreement immediately effective. If DMC defaults on the note, then the PAEDC may exercise its default remedies provided under collateral documentation executed in conjunction with said Note and this Agreement
- (b) Exercise any remedies provided herein and/or within the Loan/Collateral Documents;
- (c) Withhold, whether temporarily or otherwise, disbursement of Grant Funds pending correction of the default or deficiency(s) by DMC;

- (d) Disallow all or a part of the incentives which are not in compliance with the terms and conditions of this Agreement or in compliance with the representations and warranties contained within this Agreement and DMC'S application to the PAEDC;
- (e) Withhold and/or disallow further PAEDC incentives to DMC; and
- (f) Exercise any and all other remedies that may be legally available to the PAEDC, under the laws of the State of Texas and as authorized by the terms and conditions of this Agreement.

35. In addition to the foregoing, the parties agree that this Agreement may be terminated at any time when both parties agree, in writing, to the terms and conditions of any such voluntary termination.

DMC AUDITS

36. If directed by the PAEDC Board, DMC shall arrange for the performance of a compliance audit, by DMC's certified public accountant, of Grant Funds received and performances rendered under this Agreement, subject to the following conditions and limitations:

- (a) DMC shall have a compliance audit which may be limited to use of Grant Funds, made for any of its fiscal years included within the Term of this Agreement in which DMC receives more than \$50,000 in PAEDC financial assistance provided by PAEDC in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, or direct appropriations. Backup documentation regarding actual expenditures shall be provided by DMC. Said audit must be received and accepted by the Chief Executive Officer of PAEDC and/or the PAEDC Board.
- (b) Each audit required by this section shall cover each department, affiliate, subsidiary of DMC which received, expended, or otherwise administered Grant Funds;
- (c) Unless otherwise specifically authorized by PAEDC in writing, DMC shall submit the report of such audit to PAEDC within thirty (30) days after completion of the audit, but no later than one hundred twenty (120) days after the end of each fiscal period included within the Term of this Agreement.
- (d) As a part of its audit, DMC's manager shall certify that the expenditures were exclusively for the assets listed in Exhibit "E". Any discrepancies in excess of \$500 shall be specifically documented in writing.

37. DMC understands and agrees that it shall be liable to reimburse immediately PAEDC for any costs disallowed pursuant to financial and compliance audit(s) of Grant Funds received under this Agreement and it may be required to submit formal audits at DMC'S expense.

38. DMC shall take all necessary actions to facilitate the performance of any and all such audits, whether annual, mandatory or otherwise requested under this Agreement.

39. Subject to financial privacy requirements of DMC and properly designated requests for non-disclosure due to proprietary reasons, all approved audit reports may be made available for public inspection. As soon as it receives a request, the PAEDC Board shall notify DMC of any inspection on the audit reports requested by a third party.

40. PAEDC shall not release any Grant Funds for costs incurred by DMC under this Agreement until PAEDC has received certification from DMC that its fiscal control and fund accounting procedures are adequate to assure proper disbursement of and accounting for Grant Funds provided under this Agreement. PAEDC shall specify the content and form of such certification.

ENVIRONMENTAL CLEARANCE REQUIREMENTS

41. DMC understands and agrees that by execution of this Agreement, DMC shall be responsible for providing to PAEDC all information, concerning this PAEDC funded project, required for PAEDC to meet its responsibilities for environmental review, decision making, and other action which applies to PAEDC in accordance with and to the extent specified in Federal, State and Local Law. DMC further understands and agrees that DMC shall make all reasonable efforts to assist PAEDC in handling inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

ORAL AND WRITTEN AGREEMENTS / PRIOR AGREEMENTS

42. All oral and written contracts between the parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

43. The documents listed below are hereby made a part of this Agreement, and constitute promised performances by DMC in accordance with this Agreement:

Exhibit "A"	Commercial Promissory Note for Conditional Grant
Exhibit "B"	Deed of Trust
Exhibit "C"	Special Warranty Deed
Exhibit "D"	Business Park Covenants and Restrictions
Exhibit "E"	Certification Regarding Lobbying
Exhibit "F"	Compliance Statement

VENUE

44. For purposes of litigation that may be necessary related to this Agreement, venue shall lie in Jefferson County, Texas, where substantially all the performance will occur.

ADDRESS OF NOTICE AND COMMUNICATIONS

City of Port Arthur Section 4A Economic Development Corporation
444 4th Street
Port Arthur, Texas 77640
ATTN: Floyd Batiste, Chief Executive Officer

Desselle-Maggard Corporation
19151 Highland Road
Baton Rouge, Louisiana 70809
Attention: Charles H. Moniotte, Manager

CAPTIONS

45. This Agreement has been supplied with captions to serve only as a guide to the contents. The caption does not control the meaning of any paragraph or in any way determine its interpretation or application.

COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

46. DMC shall comply with all Federal, State and local laws, statutes, ordinances, resolutions, rules, regulations, orders and decrees of any court or administrative body or tribunal, including those related to the activities and performances of DMC under this Agreement. Upon request by PAEDC and by the City, DMC shall furnish satisfactory proof of its compliance herewith.

CONDITIONS PRECEDENT

47. This agreement has no legal consequences, and neither party shall rely on the agreement, unless and until both the PAEDC Board and the Port Arthur City Council approve the Agreement in its final executed form.

ATTORNEY APPROVALS

APPROVED AS TO FORM:

Guy Goodson, General Counsel for PAEDC

VERIFIED AS CONSISTANT
WITH CITY COUNCIL RESOLUTION:

Resolution Number: _____

Mark T. Sokolow, City Attorney

AGREEMENT EXECUTION

CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION

SIGNED AND AGREED TO on the ____ day of _____, 2007.

By: _____
President Richard Wycoff

By: _____
Secretary Keith Daws

Witness

Witness

SIGNED AND AGREED TO on the ____ day of _____, 200__.

**RHORER-MONIOTTE INVESTMENTS, L.L.C.,
dba Desselle-Maggard Corporation, a
Louisiana limited liability company.**

By: _____
Charles H. Moniotte, Manager

Witness

EXHIBIT "A"

CONDITIONAL COMMERCIAL PROMISSORY NOTE

Port Arthur, Texas

This Conditional Commercial Promissory Note becomes effective on the date when Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC"), a Louisiana limited liability company, (hereinafter called "Maker") breaches that certain Economic Incentive Contract and Loan Agreement between the City of Port Arthur Section 4A Economic Development Corporation (hereinafter called "Lender") and Maker, dated January ____, 2007.

Effective Date of Note: the ____ day of _____, 200___. ("date of breach")

Principal Amount: \$_____, which is \$810,000 minus the incentive credits earned by Maker according to that certain Economic Incentive Contract and Loan Agreement between the Lender and Maker (described hereinbefore).

Term of the Loan: Three years from the Effective Date of Note.

Payment Schedule: Monthly until principal is paid fully.

FOR VALUE RECEIVED, the undersigned "Maker", promises to pay to Lender, at its office at P.O. Box 1089, Port Arthur, Texas, 77640-1089, or such other place or places as the holder hereof shall from time to time designate in written notice to Maker, the principal amount, in legal and lawful money of the United States of America, together with interest thereon from the date hereof until maturity at the rate of ten percent (10%) per annum as detailed herein.

All past due principal and interest shall bear interest from date of maturity until paid at the rate of fifteen percent (15%) per annum, not to exceed the maximum rate allowed by law as may hereafter be in effect, payable on demand after maturity.

This note is due and payable as follows: Thirty-six (36) equal monthly installments of principal and interest on the fifteenth of each month, starting on the month immediately following the Effective Date of Note.

Any notices required or permitted to be given by the holder hereof to Maker pursuant to the provisions of this note shall be in writing and shall be either personally delivered or transmitted by first class United States mail, addressed to Maker at the address designated below for receipt of notice (or at such other address as Maker may, from time to time, designate in writing to the holder hereof for receipt of notices hereunder). Any such notice personally delivered shall be effective as of the date of delivery, and any notice transmitted by mail, in accordance with the foregoing provisions, shall be deemed to have been given to and received by Maker as of the date on which such notice was deposited with the United States Postal Service, properly addressed and with postage prepaid.

This note is also secured by and entitled to the benefits of all other security agreements, pledges, collateral assignments, deeds of trust, guaranties, mortgages, assignments, and lien instruments, if any, of any kind executed by Maker or by any other party as security for any loans owing by Maker to the Lender. Such lien instruments shall include those executed simultaneously herewith, those heretofore executed, and those hereafter executed.

If any installment or payment of principal or interest of this note is not paid when due or any drawer, acceptor, endorser, guarantor, surety, accommodation party or other person now or

hereafter primarily or secondarily liable upon or for payment of all or any part of this note (each hereinafter called an "other liable party") shall die, or become insolvent (however such insolvency may be evidenced); or if any proceeding, procedure or remedy supplementary to or in enforcement of judgment shall be resorted to or commenced against Maker or any other liable party, or with respect to any property of any of them; or if any governmental authority or any court at the instance thereof shall take possession of any substantial part of the property of or assume control over the affairs or operations of, or a receiver shall be appointed for or take possession of the property of, or a writ or order of attachment or garnishment shall be issued or made against any of the property of Maker or any other liable party; or if any indebtedness for which Maker or any other liable party is primarily or secondarily liable shall not be paid when due or shall become due and payable by acceleration of maturity thereof, or if any event or condition shall occur which shall permit the holder of any such indebtedness to declare it due and payable upon the lapse of time, giving of notice or otherwise; or if Maker or any other liable party (if other than a natural person) shall be dissolved, wound up, liquidated or otherwise terminated, or a party to any merger or consolidation without the written consent of Lender; or if Maker or any other liable party shall sell substantially all or an integral portion of its assets without the written consent of Lender; or if Maker or any other liable party fails to furnish financial information requested by Lender; or if Maker or any other liable party furnishes or has furnished any financial or other information or statements which are misleading in any respect; or if a default occurs under any instrument now or hereafter executed in connection with or as security for this note; or any event occurs or condition exists which causes Lender to in good faith deem itself insecure or in good faith believe the prospect of payment or performance by Maker or any other liable party under this note, under any instrument or agreement executed in connection with or as security for this note, or under any other indebtedness of Maker or any other liable party to Lender is impaired; thereupon, at the option of Lender, the principal balance and accrued interest of this note and any and all other indebtedness of Maker to Lender shall become and be due and payable forthwith without demand, notice of default, notice of acceleration, notice of intent to accelerate the maturity hereof, notice of nonpayment, presentment, protest or notice of dishonor, all of which are hereby expressly waived by Maker and each other liable party. Lender may waive any default without waiving any prior or subsequent default.

If this note is not paid at maturity whether by acceleration or otherwise, and is placed in the hands of any attorney for collection, or suit is filed hereon, or proceedings are had in probate, bankruptcy, receivership, reorganization, arrangement or other legal proceedings for collection hereof, Maker and each other liable party agree to pay Lender its collection costs, including court costs and a reasonable amount for attorney's fees.

It is the intention of Maker and Lender to conform strictly to applicable usury laws. Accordingly, if the transaction contemplated hereby would be usurious under applicable law, then, in that event, notwithstanding anything to the contrary herein or in any agreement entered into in connection with or as security for this note, it is agreed as follows: (i) the aggregate of all consideration which constitutes interest under applicable law that is taken, reserved, contracted for, charged or received under this note or under any of the other aforesaid agreements or otherwise in connection with this note shall under no circumstances exceed the maximum amount of interest allowed by applicable law, and any excess shall be credited on this note by the holder hereof (or, if this note shall have been paid in full, refunded to Maker); (ii) in the event that maturity of this note is accelerated by reason of an election by the holder hereof resulting from any default hereunder or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum amount allowed by applicable law, and excess interest, if any, provided for in this note or otherwise shall be canceled automatically as of the date of such acceleration or prepayment and, if theretofore prepaid, shall be credited on this note (or if this note shall have been paid in full, refunded to Maker); and (iii) all calculations of the rate of interest taken, reserved, contracted for, charged or received under this note or under any of the other aforesaid agreements or otherwise in connection with this note, that are made for the purpose of determining whether such rate exceeds the maximum lawful rate shall be made, to the extent permitted by applicable law, by amortizing, prorating, allocating, and spreading such interest over the entire term of the loan evidenced by this note (including all renewal and extended terms).

Maker may prepay all or any part of the principal of this note before maturity without penalty. No partial prepayment shall reduce, postpone or delay the obligation of Maker to continue paying the installments herein provided on their respective due dates following any such partial prepayment until this note is fully paid.

The Maker shall be directly and primarily liable for the payment of all sums called for hereunder; and, except for notices specifically required to be given by the holder hereof to Maker pursuant to the earlier provisions of this note, Maker and each other liable party hereby expressly waive demand, presentment for payment, notice of nonpayment, protest, notice of protest, notice of intention to accelerate maturity, notice of acceleration of maturity, and all other notice, filing of suit and diligence in collecting this note or enforcing or handling any of the security therefore, and do hereby agree to any substitution, exchange or release, in whole or in part, of any security here-for or the release of any other liable party, and do hereby consent to any and all renewals or extensions from time to time, of this note, or any part hereof, either before or after maturity, all without any notice thereof to any of them and without affecting or releasing the liability of any of them. Each holder hereof, in order to enforce payment of this note by any other liable party, shall be required to first institute suit or exhaust its remedies against Maker and to enforce its rights against any security therefore prior to enforcing payment of this Note by any other liable party.

SIGNED AND AGREED TO on the _____ day of _____, 200__.

**RHORER-MONIOTTE INVESTMENTS, L.L.C.,
dba Desselle-Maggard Corporation, a
Louisiana limited liability company.**

By: _____
Charles H. Moniotte, Manager

ACKNOWLEDGEMENT

THE STATE OF TEXAS *

COUNTY OF JEFFERSON *

BEFORE ME, THE UNDERSIGNED Notary Public, on this day personally appeared Charles H. Moniotte, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same as the act and deed of Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC"), a Louisiana limited liability company, for the purposes and consideration therein expressed, and the Capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of January, 2007.

Notary Public, State of Texas

MAKERS' ADDRESS FOR RECEIPT OF NOTICE:

Desselle-Maggard Corporation
19151 Highland Road
Baton Rouge, Louisiana 70809
Attention: Charles H. Moniotte, Manager

EXHIBIT "B"

DEED OF TRUST

Date: _____, 2007

Grantor: Rhorer-Moniotte Investments, L.L.C., dba
Desselle-Maggard Corporation ("DMC")

Grantors' Mailing Address: Desselle-Maggard Corporation
19151 Highland Road
Baton Rouge, Louisiana 70809

Trustee: GUY GOODSON

Trustee's Mailing Address: Germer Gertz, L.L.P.
P.O. Box 4915
Beaumont, Texas 77704
(Jefferson County)

Beneficiary: PORT ARTHUR SECTION 4A ECONOMIC
DEVELOPMENT CORPORATION ("PAEDC")

Beneficiary's Mailing Address
(including county): 4173 39th Street
Port Arthur, Texas 77642
(Jefferson County)

Note

Date: _____, 2007

Amount: \$500,000 plus \$310,000, the estimated cost to
PAEDC of ten (10) acres of land in the Port Arthur
Business Park.

Maker: DMC

Payee: PAEDC (Beneficiary)

Final Maturity Date: Three years after the Effective Date of Note.

Property: Lot ____ in the Port Arthur Business Park. See Attachment for legal description.

The Property covered by this Instrument includes the Land and the following items, whether now owned or hereafter acquired, all of which, including replacements and additions thereto, shall be deemed to be and remain part of the Property covered by this Instrument, and all rights, hereditaments and appurtenances pertaining thereto, all of which are referred to as the "Property":

- (a) Any and all buildings, improvements, and tenements (the "Facility") now or hereafter attached to or placed, erected, constructed, or developed on the Land;

- (b) all fixtures, now or hereafter attached to Land or Improvements, that are necessary or useful for the complete and comfortable use and occupancy of the Land and Improvements;
- (c) all water and water rights, timber, crops, and mineral interest pertaining to the Land;
- (d) all building materials and fixtures now or hereafter delivered to and intended to be installed in or on the Land or the Improvements;
- (e) all plans and specifications for the Improvements and for any future development of or construction on the Land;
- (f) all Grantor's rights (but not Grantor's obligations) under any contracts relating to the Land or the Improvements;
- (g) all deposits (including tenant security deposits), bank accounts, funds, instruments, notes or chattel paper arising from or by virtue of any transactions related to the Land or the Improvements;
- (h) all Grantor's rights (but not Grantor's obligations) under any documents, contract rights, accounts, commitments, construction contracts (and all payment and performance bonds, statutory or otherwise, issued by any surety in connection with any such construction contracts, and the proceeds of such bonds), architectural contracts and engineering contracts arising from or by virtue of any transactions related to the Land or the Improvements;
- (i) all permits, licenses, franchises, certificates, and other rights and privileges now owned or held or hereafter obtained in connection with the Land and the Improvements;
- (j) all development rights, utility commitments, water and wastewater taps, capital improvement project contracts, utility construction agreements with any governmental authority, including municipal utility districts, or with any utility companies (and all refunds and reimbursements thereunder) relating to the Land or the Improvements;
- (k) all proceeds arising from or by virtue of the sale, lease or other disposition of the Land or the Improvements;
- (l) all proceeds (including premium refunds) of each policy of insurance relating to the Land and the Improvements;
- (m) all proceeds from the taking of any of the Land or the Improvements or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof, including change of grade of streets, curb cuts or other rights of access, for any public or quasi-public use under any law;
- (n) all right, title, and interest of Grantor in and to all streets, roads, public places, easements, and rights-of-way, existing or proposed, public or private, adjacent to or used in connection with, belonging or pertaining to the Land;
- (o) all of the Leases, rents, royalties, bonuses, issues, profits, revenues, or other benefits of the Land or the Improvements, including without limitation cash or securities deposited pursuant to leases to secure performance by the tenants of their obligations thereunder (subject to the Assignment of Rents made in Article V below); and
- (p) other interest of every kind and character that Grantor now has or at any time hereafter acquires in and to the Land and the Improvements, including rights of ingress and egress and all reversionary rights or interests of Grantor with respect to such property and all of Grantor's rights (but not Grantor's obligations) under any covenants, conditions, and restrictions for the Land, as the same may be amended from time to time, including Grantor's rights, title, and interests thereunder as declarant or developer, if applicable.

Prior Lien(s) (including recording information): Deed of Trust, dated _____, 2007, and recorded at _____, for the benefit of Grow Port Arthur Fund, which Deed of Trust shall be senior in priority to the within Deed of Trust up to the amount of \$2,000,000.00.

Other Exceptions to Conveyance and Warranty:

This conveyance is made expressly SUBJECT TO any and all restrictions, covenants, conditions, easements, right-of-ways, and mineral and/or royalty reservations of record, if any, affecting this Property.

For value received and to secure payment of the note, Grantor conveys the property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and pays the notes according to their terms, this deed of trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

Grantor's Obligations

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due and by January 31 of the year immediately following, furnishing Beneficiary copies of tax receipts showing that all such taxes and assessments have been paid;
3. preserve the lien's priority as it is established in this deed of trust;
4. maintain, in a form acceptable to Beneficiary, an insurance policy that
 - a. covers all improvements for their full insurable value as determined when the policy is issued and renewed, unless Beneficiary approves a smaller amount in writing;
 - b. contains an 80% coinsurance clause;
 - c. provides fire and extended coverage, including windstorm coverage;
 - d. protects Beneficiary with a standard mortgage clause;
 - e. provides flood insurance at any time the property is in a flood hazard area; and
 - f. contains such other coverage as Beneficiary may reasonably require;
5. comply at all times with the requirements of the 80% coinsurance clause;
6. deliver the insurance policy to Beneficiary and deliver renewals to Beneficiary at least ten days before expiration;
7. keep any buildings occupied as required by the insurance policy; and
8. if this is not a first lien, pay all lien notes that Grantor is personally liable to pay and abide by all prior lien instruments.

Beneficiary's Rights

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee;
2. If the proceeds of the note are used to pay any debt secured by prior liens, Beneficiary is subrogated to all of the rights and liens of the holders of any debt so paid;
3. Beneficiary shall apply any proceeds received under the insurance policy to repair or replace damaged or destroyed improvements covered by the policy, unless Grantor is in default of Notes or Deed of Trust in which case insurance proceeds may be applied to reduce Grantor's obligation under Notes or Deed of Trust;

4. If Grantor fails to perform any of Grantor's obligations, Beneficiary may perform those obligations and be reimbursed by Grantor on demand at the place where the note is payable for any sums so paid, including attorney's fees, plus interest on those sums from the dates of payments at the rate stated in the note for matured, unpaid amounts. The sum to be reimbursed shall be secured by this deed of trust.
5. If Grantor defaults on the note or fails to perform any of Grantor's obligations or if default occurs on a prior lien note or other instrument, and the default continues after Beneficiary gives Grantor notice of the default and the time within which it must be cured, as may be required by law or by written agreement, then Beneficiary may:
 - a. Declare the unpaid principle balance and earned interest on the note immediately due;
 - b. Request Trustee to foreclose this lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale, as provided by the Texas Property Code as then amended; and
 - c. Purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited on the note(s).

Trustee's Duties

If requested by Beneficiary to foreclose this lien, Trustee shall:

1. Either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. Sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor subject to prior liens and other exceptions to conveyance and warranty; and
3. From the proceeds of the sale, pay in this order
 - a. Expenses of foreclosure;
 - b. To Beneficiary, the full amount of principle, interest, attorney's fees, and other charges due and unpaid;
 - c. Any amount required by law to be paid before payment to Grantor; and
 - d. To Grantor, any balance.

General Provisions

1. If any of the property is reconveyed under this deed of trust, Grantor shall immediately surrender possession to the Beneficiary. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the Beneficiary, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this deed of trust, filing suit or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the note is extended or part of the property is released.
5. If any portion of the note cannot be lawfully secured by this deed of trust, payments shall be applied first to discharge that portion.
6. Grantor assigns to Beneficiary all sums payable to or received by Grantor from condemnation of all or part of the property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the property. After deducting any expenses incurred, including attorney's fees, Beneficiary may release any remaining sums to Grantor or apply such

- sums to reduce the note Beneficiary shall not be liable for failure to collect or to exercise diligence in collecting any such sums.
7. Grantor assigns to Beneficiary absolutely, not only as collateral, all present and future rent and other income and receipts from the property. Leases are not assigned. Grantor warrants the validity and enforceability of the assignment. Grantor may as Beneficiary's licensee collect rent and other income and receipts as long as Grantor is not in default under the note or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the note and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due under the note and deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the note or performance of this deed of trust, Beneficiary may terminate Grantor's license to collect and then as Grantor's agent may rent the property if it is vacant and collect all rent and other income and receipts. Beneficiary neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the property. Beneficiary may exercise Beneficiary's rights and remedies under this paragraph without taking possession of the property. Beneficiary shall apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Beneficiary's rights and remedies and then to Grantor's obligations under the note and this deed of trust in the order determined by Beneficiary. Beneficiary is not required to act under this paragraph, and acting under this paragraph does not waive any of Beneficiary's other rights or remedies. If Grantor becomes a voluntary or involuntary bankrupt, Beneficiary's filing a proof of claim in bankruptcy will be tantamount to the appointment of a receiver under Texas law.
 8. Interest on the debt secured by this deed of trust shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law; any interest in excess of that maximum amount shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt.
 9. When the context requires, singular nouns and pronouns include the plural.
 10. The term note includes all sums secured by this deed of trust.
 11. This deed of trust shall bind, insure to the benefit of, and be exercised by successors in interest of all parties.
 12. If Grantor and Maker are not the same person, the term Grantor shall include Maker.
 13. If all or any part of the Property is sold, conveyed, leased for a period longer than three (3) years, leased with the option to purchase, or otherwise sold (including contract for deed), without the prior written consent of Beneficiary, then Beneficiary may at its option declare the outstanding balance of the Note(s), plus accrued interest to be immediately due and payable. The creation of a subordinate lien, any sale thereunder, any deed under threat or order of condemnation, any conveyance solely between Makers, the passage of title by reason of the death of a Maker or by operation of law shall not be construed as a sale or conveyance of the Property.
 14. **THIS DEED OF TRUST IS GRANTED IN CONJUNCTION WITH THAT CERTAIN ECONOMIC INCENTIVE CONTRACT AND LOAN AGREEMENT OF EVEN DATE.**

By: _____

By: _____

BEFORE ME, THE UNDERSIGNED Notary Public, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same as the act and deed of _____, a Texas _____, for the purposes and consideration therein expressed, and the Capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 200__.

Notary Public, State of Texas

BEFORE ME, THE UNDERSIGNED Notary Public, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same as the act and deed of _____, a Texas _____, for the purposes and consideration therein expressed, and the Capacities therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the ____ day of _____, 200__.

Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Guy N. Goodson
Germer Gertz, L.L.P.
P.O. Box 4915
Beaumont, Texas 77704

DESCRIPTION OF:
10.00 ACRES OF LAND OUT OF BLOCK 3
PORT ARTHUR ECONOMIC DEVELOPMENT CORPORATION
BUSINESS PARK SUBDIVISION WM. MCFADDIN SURVEY,
ABSTRACT NO. 416
PORT ARTHUR, JEFFERSON COUNTY, TEXAS

Being a 10.00 acre tract or parcel of land, a portion of Block 3 of the Port Arthur Economic Development Corporation Business Park Subdivision as recorded in Clerk's File No. 2005044721 of the Official Public Records of Real Property, County Clerk's Office, Jefferson County, Texas, as situated in and a part of the William McFaddin Survey, Abstract No. 416 of said County and being more particularly described by metes and bounds as follows:

FOR LOCATIVE PURPOSES, commence at a point located on the Westerly line of Spur 93 (aka West Port Arthur Road) marking the Southeast corner of said Business Park Subdivision;

THENCE North 27 deg. 30 min. 14 sec. West along the said Westerly Right of Way line of Spur 93 a distance of 813.06 feet to a point located at the intersection of the North line of South Business Park Drive with the said Westerly Right of Way line of Spur 93 marking the Southeast corner of said Block 3;

THENCE South 37 deg. 29 min. 18 sec. West along said North Right of Way line a distance of 111.22 feet to an angle point for corner;

THENCE South 86 deg. 11 min. 09 sec. West continuing along said North Right of Way line a distance of 61.62 feet to a ½" steel rod with cap marked Arceneaux & Gates set located on the Westerly line of a landscape easement per said Business Park Plat marking the Southeast corner and PLACE OF BEGINNING of the herein described tract of land;

THENCE South 86 deg. 11 min. 09. West continuing along said North Right of Way line with the South line of said Block 3 and this tract a distance of 76.88 feet to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner and point of curvature of a curve to the right;

THENCE continuing along said North Right of Way line and South line of Block 3 with the South line of this tract and said curve to the right having a Radius of 485.00 feet, a central angle of 03 deg. 48 min. 51 sec., an arc distance of 32.29 feet, a chord distance of 32.28 feet and a chord being of South 88 deg. 05 min. 32 sec. West to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner and point of tangency of said curve;

THENCE West (reference bearing) continuing along said North Right of Way line and South line of Block 3 with the South line of this tract a distance of 394.03 feet to a ½" steel rod with cap marked Arceneaux & Gates set marking the Southwest corner of the herein described tract of land;

THENCE North, departing said North Right of Way line along the West line of this tract a distance of 591.66 feet to a ½" steel rod with cap marked Arceneaux & Gates set located on the North line of said Block 3 and South line of Block 7 marking the Northwest corner of the herein described tract of land;

THENCE East along the common line of said Block 3 and Block 7 with the North line of this tract a distance of 601.10 feet to a ½" steel rod with cap marked Arceneaux & Gates set located on the Westerly line of a 10 feet wide pipeline easement and said landscape easement marking the Northeast corner of the herein described tract of land;

THENCE South 27 deg. 30 min. 14 sec. East along the Northeasterly line of this tract and Westerly line of said pipeline and landscape easements a distance of 435.78 feet to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner of said landscape easement and the herein described tract of land;

THENCE South 00 deg. 11 min. 19 sec. East along with West line of said landscape easement with the East line of this tract a distance of 198.94 feet to the Southeast corner and PLACE OF BEGINNING and containing in area 435,600 square feet or 10.00 acres of land, more or less.

Prepared by:

Arceneaux & Gates Consulting Engineers, Inc.

By: John R. (Bob) Hodges

Registered Professional Land Surveyor No. 4583

EXHIBIT "C"

SPECIAL WARRANTY DEED

STATE OF TEXAS

con

con

COUNTY OF JEFFERSON

20

That the City of Port Arthur Section 4A Economic Development Corporation, a Texas non-profit development corporation created pursuant to Texas Civil Statutes, Article 5190.6, hereinafter called "Grantor," whether one or more, in consideration of jobs as described in that certain Economic Incentive Contract and Loan Agreement, approved by City of Port Arthur Resolution No. 05-379, and other good and valuable consideration, to Grantor in hand paid by Rhorer-Moniotte Investments, L.L.C., doing business as Desselle-Maggard Corporation ("DMC"), a Louisiana limited liability company, hereinafter called "Grantee," whether one or more, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto Grantee, all that certain property situated in the County of Jefferson, State of Texas, described as follows, to-wit:

Property: The property is described fully in Exhibit "1".

This conveyance is made subject to the following:

- (1) easements and rights-of-way appearing of record in the Office of the County Clerk of Jefferson County, Texas;
- (2) the right of Grantor and its designees to use and maintain storm water stub-outs, which extend a few feet from the South Business Park Drive right-of-way, and serve to connect the Property drainage system to the drainage system of the Port Arthur Economic Development Corporation Business Park;
- (3) all covenants, restrictions, and all conditions and exceptions, reservations and conveyances of minerals and/or royalties, oil and gas and/or mineral leases, affecting the above described property, of record in the Office of the County Clerk of Jefferson County, Texas, to the extent they are still in effect and relate to the above described property;
- (4) taxes on the above described property for 2007 and subsequent years not yet due and payable;
- (5) all zoning laws, regulations and ordinances of municipal and other governmental authorities, if any, but only to the extent that they are still in effect, relating to the above described property; and

Grantor has executed and delivered this Special Warranty Deed and has granted, bargained, sold, and conveyed the Property to Grantee, and Grantee has received and

accepted this Special Warranty Deed and has purchased, received, and, accepted the Property, ON AN AS-IS, WHERE IS BASIS, WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, IT BEING THE INTENTION OF GRANTOR AND GRANTEE TO EXPRESSLY REVOKE, RELEASE, NEGATE, AND EXCLUDE ALL REPRESENTATIONS AND WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES AS TO (i) THE CONDITION OF THE PROPERTY OR ANY ASPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY AND ALL EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES RELATED TO SUITABILITY FOR HABITATION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE; (ii) THE NATURE OR QUALITY OF CONSTRUCTION, STRUCTURAL DESIGN OR ENGINEERING OF ANY IMPROVEMENTS WHICH ARE PART OF THE PROPERTY OR WHICH SERVE THE PROPERTY (the "IMPROVEMENTS"); (iii) THE QUALITY OF THE LABOR OR MATERIAL INCLUDED IN THE IMPROVEMENTS; (iv) THE SOIL CONDITIONS, DRAINAGE, TOPOGRAPHICAL FEATURES OR OTHER CONDITIONS WHICH AFFECT THE PROPERTY; (v) THE CAPACITY, USE, DEVELOPMENT POTENTIAL, PURPOSE OR OTHER CHARACTERISTIC CONCERNING OR RELATING TO THE PROPERTY; (v) ANY FEATURES OR CONDITIONS AT OR WHICH AFFECT THE PROPERTY WITH RESPECT TO ANY PARTICULAR PURPOSE, USE, DEVELOPMENTAL POTENTIAL, CASH FLOW, OR OTHERWISE; (vi) ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES CREATED BY ANY AFFIRMATION OF FACT OR PROMISE; (vii) ANY ENVIRONMENTAL, GEOLOGICAL, METEOROLOGICAL, STRUCTURAL OR OTHER CONDITION OR HAZARD OR THE ABSENCE THEREOF HERETOFORE, NOW, OR HEREAFTER AFFECTING IN ANY MANNER ANY OF THE PROPERTY; AND (viii) ALL OTHER EXPRESS OR IMPLIED WARRANTIES AND REPRESENTATIONS BY GRANTOR WHATSOEVER, EXCEPT SOLELY THE SPECIAL WARRANTY OF TITLE EXPRESSLY SET FORTH IN THIS DEED CONVEYING THE PROPERTY TO GRANTEE.

TO HAVE AND TO HOLD, the said Property, together with all rights, hereditaments and appurtenances thereto belonging, unto Grantee, its successors, heirs, and assigns forever. And Grantor does hereby bind itself, its successors, heirs, executors, administrators, and personal representatives to WARRANT AND FOREVER DEFEND the title to said Property unto Grantee, its successors, heirs, and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through, or under Grantor, but not otherwise.

When Grantor or Grantee or both of them are more than one (1) person, or when Grantor or Grantee or both of them are a corporation, partnership, trustee, administrator, executor, or personal representative, this Deed shall read as though pertinent verbs, nouns, and pronouns are changed correspondingly, and pronouns of the masculine gender where used herein shall be construed to include persons of the female sex. When this Deed is executed by or to or by and to a corporation or partnership, references to "heirs, executors, administrators, and personal representatives" shall be appropriately disregarded, and when this Deed is executed by or to or by and to a natural person or persons, references

to "successors" shall be appropriately disregarded.

Grantee has joined in this Deed to evidence Grantee's acceptance of this Deed.

EXECUTED this the ____ day of _____, 2007.

GRANTOR:

THE CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT
CORPORATION,
a Texas corporation

By: _____
Richard Wycoff, President

By: _____
Keith Daws, Secretary

GRANTEE:

RHORER-MONIOTTE INVESTMENTS, L.L.C., dba
Desselle-Maggard Corporation, a Louisiana limited
liability company.

By: _____
Charles H. Moniotte, Manager

STATE OF TEXAS

§

§

COUNTY OF JEFFERSON

§

This instrument was acknowledged before me on the ____ day of _____,
2007, by Richard Wycoff, President of the City of Port Arthur Section 4A Economic
Development Corporation, a Texas not-for-profit corporation.

Notary Public, State of Texas

STATE OF TEXAS

§
§
§

COUNTY OF JEFFERSON

This instrument was acknowledged before me on the ____ day of _____, 2007, by Keith Daws, Secretary of the City of Port Arthur Section 4A Economic Development Corporation, a Texas not-for-profit corporation.

Notary Public, State of Texas

STATE OF _____

§
§
§

COUNTY OF _____

This instrument was acknowledged before me on the ____ day of _____, 2007, by Charles H. Moniotte, as Manager of Rhorer-Moniotte Investments, L.L.C., dba Desselle-Maggard Corporation, a Louisiana limited liability company.

Notary Public, State of _____

GRANTEE'S MAILING ADDRESS:

2640 South Business Park Drive
Port Arthur, Texas, 77640

EXHIBIT "1"
DESCRIPTION OF:
10.00 ACRES OF LAND OUT OF BLOCK 3
PORT ARTHUR ECONOMIC DEVELOPMENT CORPORATION
BUSINESS PARK SUBDIVISION WM. MCFADDIN SURVEY,
ABSTRACT NO. 416
PORT ARTHUR, JEFFERSON COUNTY, TEXAS

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THENCE South 86 deg. 11 min. 09 sec. West continuing along said North Right of Way line a distance of 61.62 feet to a ½" steel rod with cap marked Arceneaux & Gates set located on the Westerly line of a landscape easement per said Business Park Plat marking the Southeast corner and PLACE OF BEGINNING of the herein described tract of land;

THENCE South 86 deg. 11 min. 09. West continuing along said North Right of Way line with the South line of said Block 3 and this tract a distance of 76.88 feet to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner and point of curvature of a curve to the right;

THENCE continuing along said North Right of Way line and South line of Block 3 with the South line of this tract and said curve to the right having a Radius of 485.00 feet, a central angle of 03 deg. 48 min. 51 sec., an arc distance of 32.29 feet, a chord distance of 32.28 feet and a chord being of South 88 deg. 05 min. 32 sec. West to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner and point of tangency of said curve;

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THENCE East along the common line of said Block 3 and Block 7 with the North line of this tract a distance of 601.10 feet to a ½" steel rod with cap marked Arceneaux & Gates set located on the Westerly line of a 10 feet wide pipeline easement and said landscape easement marking the Northeast corner of the

herein described tract of land;

THENCE South 27 deg. 30 min. 14 sec. East along the Northeasterly line of this tract and Westerly line of said pipeline and landscape easements a distance of 435.78 feet to a ½" steel rod with cap marked Arceneaux & Gates set marking an angle point for corner of said landscape easement and the herein described tract of land;

THENCE South 00 deg. 11 min. 19 sec. East along with West line of said landscape easement with the East line of this tract a distance of 198.94 feet to the Southeast corner and PLACE OF BEGINNING and containing in area 435,600 square feet or 10.00 acres of land, more or less.

Prepared by:

Arceneaux & Gates Consulting Engineers, Inc.

By: John R. (Bob) Hodges

Registered Professional Land Surveyor No. 4583

EXHIBIT "D"

BUSINESS PARK COVENANTS AND RESTRICTIONS PORT ARTHUR BUSINESS PARK 11/30/05

GENERAL

The City of Port Arthur Section 4A Economic Development Corporation (PAEDC) is the owner of the Port Arthur Business Park (Business Park). PAEDC has determined that it is in the best interests of the City of Port Arthur, PAEDC, the Business Park and its future occupants to adopt the following provisions restrictions and covenants to control the development within the business park.

CONDITIONS OF SALE

Each parcel sold or conveyed to a user by PAEDC is for the purpose of development of facilities and occupancy by a user. Development of facilities (buildings) for user occupancy must be completed within eighteen months of purchase. If there is an incentive agreement with the PAEDC, the construction must be completed within the timetables of the incentive agreement. If construction has not been completed in the period specified, PAEDC shall have the option to repurchase the property on the basis of reversing (or rescinding) the terms of the original sale, including price. This option may be exercised at any time subsequent to the failure of construction to be completed by the specified date. Exercise of the option will be by formal action of the PAEDC Board. Delivery of written notice of exercise of this option shall be the cause of an immediate halt to actions to develop the parcel by the parcel owner.

If the owner or lessee of property in the Business Park wishes to sell or assign the property to a third party, the owner or lessee shall obtain the approval of the PAEDC Board of Directors, with such approval not to be unreasonably withheld. The owner or lessee shall present information as to the financial and credit information as to the new buyer or assignee and such other information as reasonably requested by the PAEDC Chief Executive Officer (CEO). The new owner or lessee shall be required to assume the obligations in the incentive agreement, with such changes as are approved by the PAEDC Board of Directors.

If the owner or lessee wishes to subdivide and sell or assign only a portion of its property to a third party, the owner or lessee shall obtain the approval of the PAEDC Board of Directors which can deny the request at its discretion. At the discretion of the PAEDC, the PAEDC shall have a first option to repurchase said undeveloped portion for the same cost as delineated in the incentive agreement or sales agreement and in such additional reasonable amounts as to reimburse the owner for monies that he has expended in maintaining said portion of the property. In such case, PAEDC shall have 90 days to notify the owner of its decision in regard to this option.

LEGAL DESCRIPTION

The Port Arthur Business Park includes all land as described in Appendix A, and on such other property as approved by PAEDC.

TERMS AND DEFINITIONS

For the purposes of these covenants and restrictions, certain terms, phrases, words and their derivatives shall have their meaning as specified in this section. Where terms are not defined, they shall have their ordinary accepted meanings within the context with which they are used. Webster's Ninth New Collegiate Dictionary, Copyright 1987, shall be considered as providing ordinary accepted meaning.

- (1) *Board*. City of Port Arthur Section 4A Economic Development Corporation Board of Directors.
- (2) *Building*. Any structure built for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind. When subdivided in a manner sufficient to prevent the spread of fire, each portion so subdivided may be deemed a separate building.
- (3) *City council*. The governing and legislative body of the City of Port Arthur.
- (4) *District*. A section of the City of Port Arthur for which the regulations governing the height, area or use of the land and buildings are uniform.
- (5) *Height*. The vertical distance of a building measured from the average established grade at the street line or from the average natural front yard ground level, whichever is higher, to (1) the highest point of the roof's surface if a flat surface; (2) to the deck line of mansard roofs; or (3) to the mean height level between eaves and ridge for hip and gable roofs, and, in any event, excluding chimneys, cooling towers, elevator bulkheads, penthouses, tanks, water towers, radio towers, ornamental cupolas, domes or spires and parapet walls not exceeding ten feet in height. If the street grade has not been officially established, the average front yard shall be used for a base level.
- (6) *Lot*. Land occupied or to be occupied by a building and its accessory buildings, and including such open spaces as are required under these covenants and restrictions and having its principal frontage upon a public street or officially approved place.
- (7) *Occupancy*. The use or intended use of the land or buildings by proprietors or tenants.
- (8) *Planning and zoning commission*. The agency designated in the City Charter as the planning commission and appointed by the city council as an advisory body to it and which is authorized to recommend changes in the zoning ordinance.
- (9) *Parking lot or structure, commercial (motor vehicle)*. An area or structure devoted to the parking or storage of motor vehicles. May include, in the case of a parking structure only, a facility for servicing of motor vehicles provided such facility is primarily an internal function for use only by motor vehicles occupying the structure and creates no special problems of ingress or egress.
- (10) *Structure*. Any structure built for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind. When subdivided in a manner sufficient to prevent the spread of fire, each portion so subdivided may be deemed a separate building.
- (11) *Yard*. An open space other than a court, on the lot in which a building is situated and which is not obstructed from a point 30 inches above the general ground level of the graded lot to

the sky, except as provided for roof overhang and similar features and for the usual trees and landscape planting.

(12) *Yard, front.* An open, unoccupied space on a lot facing a street extending across the front of the lot between the side lot lines and from the front face of the building to the front lot or street line with the minimum horizontal distance between the street line and the main building line as specified for the district in which it is located. The front face of the building shall not necessarily be determined by the primary access to the building or any unit therein.

(13) *Yard, rear.* An open, unoccupied space, except for permitted detached accessory buildings, trees and planting, extending across the rear of a lot from one side lot line to the other side lot line and having a depth between the building and the rear lot line.

(14) *Yard, side.* An open, unoccupied space or spaces on one or two sides of a main building situated between the building and a side line of the lot and extending through from the front yard to the rear yard. Any lot line not the rear line or a front line shall be deemed a side line.

REVIEW AND APPROVAL OF USES AND IMPROVEMENTS

All uses that occupy parcels and all facilities and improvements constructed in the park (including all alterations and additions to the site and such facilities and improvements) shall be subject to approval by PAEDC and may require approval by the City of Port Arthur. PAEDC and the City may at their sole discretion involve other parties in the review of proposed uses and improvements. In cases where specialized evaluations are deemed necessary, PAEDC may require a fee to cover the cost of the services of consultants engaged to perform these evaluations. No construction may be initiated upon any parcel in the Business Park until approval has been granted by PAEDC (and where required, by the City of Port Arthur). Failure of the user of a parcel to seek approval for development plans in a timely manner will not be the basis for granting an extension as to the timetable for construction. Approval means formal action by the PAEDC Board, (and where required by City Council of the City of Port Arthur) and the receipt of written confirmation of approval from a competent authority of these bodies. Application for approval shall be made in writing and must contain all submission requirements specified by PAEDC. Such requirements will include site plans, building plans and specifications, and other such information as PAEDC and the City may request.

PERMITTED OCCUPANCIES

Sites and facilities within the Business Park may be occupied by the uses specified in the following chart (Parcels are as designated on the Business Park Final Plat).

Parcels 1, 2, 3, 5, 7 & 9 – Office, warehouse, distribution, light fabrication and assembly, recycling, manufacturing and other approved uses.

Parcel 4 & 8 – Office and other approved uses.

Parcel 6, 10 – Warehouse, distribution, manufacturing, assembly and other approved uses.

Other uses may be approved by PAEDC at its sole discretion which includes career centers and other types of development as approved by the PAEDC and as authorized by State Law. All occupancies permitted may be subject to additional restrictions imposed as a result of review of user applications provided that such specific requirements are intended to implement the restrictions previously established by the PAEDC in these Covenants and Restrictions or subsequent amendments.

PROHIBITED OCCUPANCIES

Specifically prohibited uses include manufacturing and process operations that transmit noise, or release odors, fumes or dust that materially exceed City, State, or Federal Standards or discharge a waste stream that is not acceptable (due to content or volume) for the City's sanitary sewer system. Any use that requires onsite treatment of waste in order to meet the above requirements will be allowed only on the basis of a special use permit from PAEDC, the City of Port Arthur, the TCEQ or the applicable regulatory agency. In general, on site treatment of significant quantities of special waste will not be permitted. A special use permit may, at the sole discretion of PAEDC, be granted, conditional upon continued and demonstrative conformance to specific requirements and standards. Failure by the user receiving such conditional approval to strictly conform to the requirements and standards imposed will be the basis of termination of the special use permit, without recourse by the user. Notice of termination of any permit required by any regulatory agency (including the City) will require the user to immediately cease all onsite processes that generate or contribute to the subject waste stream.

In addition, all exterior site uses including parking areas, truck maneuvering and docking areas, storage and equipment yards and the like will be developed and maintained in strict conformance with these covenants and restrictions and with the specific terms of approvals granted by PAEDC and the City of Port Arthur.

CONSTRUCTION STANDARDS, CODES AND ORDINANCES

All improvements constructed in the Business Park shall meet or exceed the standards and ordinances of the City of Port Arthur, State of Texas statutes and regulations, and national standards. It shall be the duty of the user of any parcel in the Business Park to conform to such requirements and to obtain all approvals and permits granted by governing authorities. Such requirements include but are not limited to City Building Permits and local drainage, environmental and utility requirements. Review and approval by PAEDC and the City of Port Arthur under the above provisions for Review and Approval of Uses and Improvements does not relieve or mitigate in any way this separate duty of the user.

The owners or lessees of the property shall take such precautions as to commence and complete the improvements wherein laborers, subcontractors and contractors are promptly paid with no materials and mechanic's liens being filed on the property. Prior to commencing construction, the owner or lessee shall provide to the PAEDC such evidence of financial ability to complete the project, which may include letters of credit, and contractor's performance bonds and payment bonds.

PROPERTY MAINTENANCE

Owners and Users of parcels and improvements shall perform regular and routine maintenance on these properties. Undeveloped parcels shall be kept mowed and free of debris. Developed parcels (including site and facilities) shall be maintained in a manner consistent with the users' approved proposal for use and improvements.

Lawns and landscaping shall be kept free of overgrowth, trash and debris. Parking or storage of vehicles, equipment or materials in areas other than approved outdoor storage is prohibited. Areas shall be maintained free of trash, sediment, debris, and abandoned or unsightly equipment.

Outdoor storage areas other than those approved by PAEDC are prohibited. Approved outdoor storage areas shall be well maintained and shall be kept neat and orderly in appearance. Only materials and equipment that are in active use at the site may be stored on site. Storage of derelict or junked materials, equipment or vehicles onsite is prohibited.

Buildings and other structures shall be kept in an attractive condition. Exterior surfaces shall be washed and painted as required to maintain a fresh appearance. Exterior materials that deteriorate shall be replaced.

No open burning of rubbish is permitted on the site. All waste material shall be confined to trash receptacles in approved and screened locations for removal from the site.

In case of fire or damage from other causes, the owner or lessee shall restore the improvements within nine (9) months unless granted an extension by PAEDC.

INSURANCE

The lot owners and lessees shall maintain casualty insurance in an amount sufficient to replace the buildings. A copy of the certificate of insurance shall be given to the PAEDC and the PAEDC shall be listed as an additional insured. If the lot owner or lessee fails to maintain or pay for the insurance, the PAEDC (in its sole discretion) may pay for the costs thereof, assess the lot owners and lessees, and file liens.

ASSESSMENT

The lessees and private owners of the land in the Business Park shall pay assessments to the PAEDC for the maintenance of the street signage and landscaping, the costs to enforce these deed restrictions, and the costs to maintain business park, such assessments shall be a minimum of \$200 per acre per year and shall be payable on or before December 31st of each year. Additional assessments, as determined by the PAEDC Board of Directors shall not exceed the actual proportionate share of the expenditures made by the PAEDC plus a 10% administrative fee. The proportionate share shall be the number of acres owned or leased divided by 246.

CONTINUATIONS, AMENDMENT AND VARIATION OF COVENANTS AND RESTRICTIONS

These covenants and restrictions shall remain in force on all parcels and shall be binding on all current and future owners and lessees of parcels within the Business Park. Variation in these covenants and restrictions is limited to one of the following methods:

PAEDC (subject to the approval of the City of Port Arthur) may from time to time amend the provisions, covenants and restrictions.

PAEDC may in its sole discretion grant variances to these provisions, covenants and restrictions as a part of the approval of the Review and Approval of Use and Improvement process. Such variances must be requested in writing by the user of the parcel. PAEDC will notify all adjacent parcel owners of the request for variation by posting such notice and will receive and consider comments from such parcel owners in evaluating such variances. It is the intent of PAEDC to maintain the general character and intent of the provisions, covenants and restrictions and to comply with Article 5190.6 V.T.C.A.

SITE DEVELOPMENT

Building sites of individual users must be planned to have an attractive image and must be well maintained. The following requirements shall apply to the development of sites within the Business Park:

Category			Requirements
Set Backs	Building	Street Frontage	45 feet
		Side and rear lot lines	15 feet
	Paving	Street Frontage	20 feet
		Side and rear lot lines	No requirement
Landscaping	All non paved areas		Maintained lawns
	Street Frontage		1 tree per 100 feet of frontage – 2 inch caliper
Paving	Parking	Automobile	Concrete
		Trucks and Trailers	Concrete
	Aprons and maneuvering areas		Concrete
Access and Entry			As approved by PAEDC
			May not conflict with street traffic or access to adjacent sites.
Utilities			All connections and service underground and; Equipment (transformers etc.) screened from public view
Outdoor Yards and Storage Ares			Not allowed forward of the line of the building face
			Fully screened from frontage with berms, planting or walls constructed in conformance with standards for front face of buildings
	Area Limitations	Parcels 1, 2, 3, 5, 7, 9	No larger than the area of the building
		Parcels 4, 8	Not permitted
		Parcel 6, 10	No limit
Fencing			Side and rear yards only
	Visible from Street		Decorative iron or as approved by PAEDC (no wood fences permitted)
	Side and rear		Chain link or as approved by PAEDC (no wood fences permitted)
Ancillary Structures and Equipment			Constructed to meet applicable building standards
			Tanks, trash receptacles and other equipment screened from public view
			Mail boxes as approved by PAEDC
			Flagpoles as approved by PAEDC
Lighting	Pole or building mounted lighting		
	All lighting will be natural in color (no uncorrected high pressure sodium fixtures)		
	Lighting must be controlled to prevent glare as seen from adjacent public ways and adjacent properties		

SITE DEVELOPMENT

<u>Category</u>	<u>Requirements</u>
Drainage	Surface drainage must be controlled within site boundaries. Discharge into drainage ways as approved by responsible authorities.
Signage	All signs must be approved by PAEDC May be internally or externally illuminated May not be animated
Site Mounted Signs	Maximum of 6 feet in height Base no more than 2 feet above ground No closer then 10 feet to property line Compatible with building color and materials Integrated and compatible with landscaping
Building Mounted Signs	Not painted on building May not extend beyond building profile Must be compatible is size, color and material with building

BUILDING DESIGN AND CONSTRUCTION

Building design including all exterior materials and colors must be attractive, compatible with adjacent development and be approved by the PAEDC.

<u>Category</u>	<u>Requirements</u>
Exterior Materials	Except for trim and accents, no wood will be permitted
Walls Facing Frontage and Public Ways	Concrete or masonry
Walls Facing Side and Rear Yards	Parcel 1, 2, 3, 5, 6, 7, 9, 10 Concrete, masonry, or metal panels
	Parcel 4, 8 Concrete or masonry
Roofing Materials	Any roof surface that is exposed to public view must be approved by PAEDC
Roof top equipment	No more than five feet in height and screened from public view
Awnings and Canopies	Compatible with building design and approved by PAEDC
Exterior Colors	Exterior surfaces will be predominately neutral or natural colors. Bright accent or trim colors will be considered by the PAEDC.

ENFORCEMENT OF COVENANTS AND RESTRICTIONS

Determination regarding the meaning, applicability and enforcement of these covenants and restrictions is the sole domain of PAEDC Board of Directors. Inquiry in regard to such matters shall be made to PAEDC in writing. A determination rendered in writing by PAEDC Board of Directors shall be deemed final and binding on all parties.

Enforcement of the provisions, covenants and restrictions shall be in accordance with law or through civil or criminal proceedings initiated by PAEDC or by the City of Port Arthur. Enforcement action may include but is not limited to restraint of violations, recovery of costs, attorneys fees and damages, assessments, fines, civil penalties, foreclosure, and judicial sale.

APPENDIX "A"

DESCRIPTION OF A
297.960 ACRE TRACT OR PARCEL OF LAND
OUT OF AND PART OF
THE WM. McFADDIN SURVEY, ABSTRACT NO. 416,
THE T. & N.O.R.R. SURVEY, SECTION NO. 5, ABSTRACT NO. 238,
AND THE T. & N.O.R.R. SURVEY, SECTION NO. 9, ABSTRACT NO. 242
JEFFERSON COUNTY, TEXAS

AUGUST 20, 2001

All that certain tract or parcel of land lying and being situated in Jefferson County, Texas, parts of the WM. McFADDIN SURVEY, ABSTRACT NO. 416, the T. & N.O.R.R. SURVEY, SECTION NO. 5, ABSTRACT NO. 238, and the T. & N.O.R.R. SURVEY, SECTION NO. 9, ABSTRACT NO. 242, and being parts of Blocks 14, 15 and 16, Range N, Blocks 14, 15 and 16, Range O, and Blocks 15 and 16, Range P of the Lands of the Port Arthur Land Co., the plat of which said subdivision is of record in Volume 1, Page 22 of the Map Records of Jefferson County, Texas, and being a part of that certain tract of land herein referred to as the "McFaddin and Cordts" tract, which said McFaddin and Cordts tract is designated "TRACT NO. 18-C" and is described in that certain instrument from W.P.H. McFaddin, Jr., and J.L.C. McFaddin, as Trustees of the McFaddin Trust to J.L.C. McFaddin, Di McFaddin Houk, Perry McFaddin Duncan, W.P.H. McFaddin Jr., Mamie McFaddin Ward, Camelia B. McFaddin and Di Vernon McFaddin Cordts, W.P.H. McFaddin Jr., and J.L.C. McFaddin, jointly, and Mamie McFaddin Ward, W.P.H. McFaddin, Jr., J.L.C. McFaddin, and Camelia B. McFaddin and Di Vernon McFaddin Cordts, jointly, dated February 26, 1948 and recorded in Volume 692, Page 22 of the Deed Records of Jefferson County, Texas, and which said TRACT NO. 18-C is indicated on that certain plat entitled "PARTITION MAP NO. 3 OF THE McFADDIN TRUST PROPERTY IN JEFFERSON COUNTY, TEXAS ..." which said plat is of record in Volume 8, Page 110 of the Map Records of Jefferson County, Texas, and being a part of that certain tract of land herein referred to as the "Cordts" tract, which said Cordts tract is described in that certain instrument from E.G. Cordts, Jr., Independent Executor of the Estate of Di Vernon McFaddin Berly to E.G. Cordts, Jr., Colleen Clave Cordts and Anna Camelia Cordts, dated September 13, 1994 and recorded under County Clerk's File No. 94-9432523 of the Official Public Records of Real Property of Jefferson County, Texas, and the said tract herein described being that exact same certain tract of land herein referred to as the "PAEDC" tract, which said PAEDC tract is described in that certain instrument from E.G. Cordts, Jr., ..., Colleen Clare Cordts Rice, ..., and Anna Camelia Cordts Edwardson, ... to Port Arthur Economic Development Corporation, dated February 28, 2001 and recorded under County Clerk's File No. 2001007554 of the Official Public Records of Real Property of Jefferson County, Texas, and the said tract herein described being more particularly described as follows:

BEGINNING at a iron rod with a Texas Department of Transportation aluminum cap (TxDOT Type 1 Monument) found for the southeast corner of the said tract herein described, the said corner being the southeast corner of the said PAEDC tract, and the said corner also being the most southerly southwest corner of that certain tract of land herein referred to as the "Parcel 31" tract, which said Parcel 31 tract is so designated and is described in that certain instrument from E.G. Cordts, Jr., Colleen Clare Cordts Rice and Anna Camelia Cordts Edwardson to Jefferson County, dated March 15, 1999 and recorded under County Clerk's File No. 1999009190 of the Official Public Records of Real Property of Jefferson County, Texas, and the said corner being in the north line of that certain tract of land herein referred to as the "Parcel 32" tract, which said Parcel 32 tract is so designated and is described in that certain instrument from The Mamie McFaddin Ward Heritage Foundation to Jefferson County, dated December 12, 1996 and recorded under County Clerk's File No. 96-9638512 of the Official Public Records of Real Property of Jefferson County, Texas, the said corner being an interior angle point corner in the southwesterly right-of-way line of Texas State Highway Spur 93, and the said TxDOT Type 1 Monument found for corner being East (Assumed Basis of Bearings - called South 89° 37' 00" East) along and with the south line of the said PAEDC tract, said north line of the Parcel 32 tract and north line of that certain tract of land herein referred to as the "Ward" tract, which said Ward tract is designated "TRACT NO. 19-C" and is described in the hereinbefore referenced instrument recorded in Volume 692, Page 22 of the Deed Records of Jefferson County, Texas, and which said TRACT NO. 19-C is indicated on the hereinbefore referenced plat of record in Volume 8, Page 110 of the Map Records of Jefferson County, Texas, a total distance of 5,430.99 feet (called 5,431.07 feet) from a 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for reference;

THENCE West (called North 89° 37' 00" West) along and with the said south line of the PAEDC tract, north line of the Parcel 32 tract and north line of the Ward tract, passing at a distance of 16.92 feet (called 16.92 feet) a 5/8" iron rod found for the most northerly northwest corner of the said Parcel 32 tract, the said corner being an exterior angle point corner in the said southwesterly right-of-way line of Texas State Highway Spur 93, and passing at a distance of 4,938.57 feet (called 4,938.91 feet) a 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for reference at the southeast corner of that certain tract of land herein referred to as the "TRACT 196-A" tract, which said TRACT 196-A tract is so designated and is described in that certain instrument (titled "RIGHT-OF-WAY EASEMENT") from Di Vernon McFaddin Kibodeaux, formerly Di Vernon McFaddin Cordts, joined therein by her husband, Oren J. Kibodeaux to Jefferson County Drainage District No. 7 dated January 4, 1968 and recorded in Volume 1531, Page 123 of the Deed Records of Jefferson County Texas, and passing at a distance of 5,430.99 feet (called 5,431.07 feet) the hereinbefore said 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for reference at the southwest corner of the said TRACT 196-A tract, and continuing (West) along and with the said south line of the PAEDC tract and north line of the Ward tract, a total distance of 5,545.27 feet (called 5,545.35 feet) to a point for the southwest corner of the said tract herein described, the said corner being the southwest corner of the said PAEDC tract, and the said corner also being the northwest corner of the said Ward tract, and the said corner being in the easterly line of that certain tract of land herein referred to as the "TRACT A"

tract, which said TRACT A tract is so designated and is described in that certain instrument from Darling Klaver, et al to Jefferson County Drainage District No. 7 dated November 22, 1971 and recorded in Volume 1727, Page 481 of the Deed Records of Jefferson County, Texas, and the said corner being in the centerline of Rhodair Gully;

THENCE North 12° 17' 39" West (called North 11° 54' 13" West) along and with the westerly line of the said PAEDC tract, the said easterly line of the TRACT A tract and said centerline of Rhodair Gully, a distance of 724.96 feet (called 724.92 feet) to a point for the most westerly northwest corner of the said tract herein described, the said corner being the most westerly northwest corner of the said PAEDC tract, and the said corner also being the most southerly corner of that certain tract of land herein referred to as the "J.L.C. McFaddin" tract, which said J.L.C. McFaddin tract is designated "TRACT NO. 12-C" and is described in the hereinbefore referenced instrument recorded in Volume 692, Page 22 of the Deed Records of Jefferson County, Texas, and which said TRACT NO. 12-C is indicated on the hereinbefore referenced plat of record in Volume 8, Page 110 of the Map Records of Jefferson County, Texas;

THENCE North 39° 57' 00" East (called North 40° 20' 00" East) along and with the most westerly northwest line of the said PAEDC tract and most southerly southeast line of the said J.L.C. McFaddin tract, passing at a distance of 132.53 feet (called 132.53 feet) a 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for reference at the northwest corner of the hereinbefore said TRACT 196-A tract, and passing at a distance of 736.10 feet (called 735.85 feet) a 5/8" iron rod with a red plastic cap stamped "S&P INC" set for reference at the northeast corner of the said TRACT 196-A tract (and which said 5/8" iron rod with a red plastic cap set for reference is North 37° 58' 15" West a distance of 0.39 feet from a 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for reference), and continuing (North 39° 57' 00" East) along and with the said most westerly northwest line of the PAEDC tract and most southerly southeast line of the J.L.C. McFaddin tract, a total distance of 3,925.49 feet (called 3,925.61 feet) to a 1/2" iron rod found for the most northerly corner of the said tract herein described, the said corner being the most northerly corner of the said PAEDC tract, and the said corner also being the most westerly corner of that certain tract of land herein referred to as the "Barnette - 1483/177" tract, which said Barnette - 1483/177 tract is described in that certain instrument from Gulf Refining Company to N.K. Barnette, Jr. dated October 24, 1966 and recorded in Volume 1483, Page 177 of the Deed Records of Jefferson County, Texas;

THENCE South 49° 46' 07" East (called South 49° 23' 24" East) along and with the most northerly northeast line of said PAEDC tract and southwesterly line of the said Barnette - 1483/177 tract, a distance of 1,317.60 feet (called 1,317.54 feet) to a 1/2" iron rod found for an interior corner of the said tract herein described, the said corner being an interior corner of the said PAEDC tract, and the said corner also being the most southerly corner of the said Barnette - 1483/177 tract;

THENCE North 40° 07' 58" East (called North 40° 33' 04" East) along and with the most easterly northwest line of the said PAEDC tract and southeasterly line of the said Barnette - 1483/177 tract, a distance of 151.95 feet (called 151.86 feet) to a 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for the most easterly northwest corner of the said tract herein described, the said corner being the most easterly northwest corner of the said PAEDC tract, and the said corner also being the most

westerly corner of that certain tract of land herein referred to as the "Barnette - 1483/176" tract, which said Barnette - 1483/176 tract is described in that certain instrument from Di Vernon McFaddin Cordts joined therein by her husband, Edwin G. Cordts to N.K. Barnette, Jr. dated October 11, 1966 and recorded in Volume 1483, Page 176 of the Deed Records of Jefferson County, Texas, and the said 5/8" iron rod with a yellow cap stamped "RPLS 3636" found for corner being South 40° 11' 19" West (called South 40° 33' 04" West) along and with the said southeasterly line of the Barnette - 1483/177 tract, northwesterly line of the said Barnette - 1483/176 tract and southeasterly line of that certain tract of land herein referred to as the "LNVA" tract, which said LNVA tract is described in that certain instrument from Gulf Refining Company to the Lower Neches Valley Authority dated April 8, 1975 and recorded in Volume 1876, Page 290 of the Deed Records of Jefferson County, Texas, a total distance of 499.44 feet (called 500.00 feet) from a 5/8" iron rod found for the most northerly corner of the said Barnette - 1483/176 tract, the said corner also being the most easterly corner of the said LNVA tract, and the said corner being in the hereinbefore said southwesterly right-of-way line of Texas State Highway Spur 93;

THENCE South 83° 44' 08" East (called South 83° 21' 35" East) along and with the most easterly north line of the said PAEDC tract and southerly line of the said Barnette - 1483/176 tract, a distance of 557.12 feet (called 557.12 feet) to a 5/8" iron rod found for the most northerly northeast corner of the said tract herein described, the said corner being the most northerly northeast corner of the said PAEDC tract, and the said corner also being the most northerly northwest corner of the hereinbefore said Parcel 31 tract, and the said corner being in the said southwesterly right-of-way line of Texas State Highway Spur 93, and the said 5/8" iron rod found for corner being South 27° 38' 14" East (called South 27° 11' 44" East) along and with the said southwesterly right-of-way line of Texas State Highway Spur 93, a distance of 499.26 feet (called 499.56 feet) from the hereinbefore said 5/8" iron rod found for the most northerly corner of the Barnette - 1483/176 tract and most easterly corner of the LNVA tract;

THENCE South 27° 30' 14" East (called South 27° 07' 03" East) along and with the most easterly northeast line of the said PAEDC tract, southwesterly line of the said Parcel 31 tract and said southwesterly right-of-way line of Texas State Highway Spur 93, a total distance of 3,294.33 feet (called 3,294.40 feet) to the Point of Beginning and
Containing 297.960 acres (called 297.9732 acres) of land, more or less.

Prepared by
Schaumburg & Polk, Inc.
E. James Verrett,
Registered Professional Land Surveyor No. 1781

EXHIBIT "E"

CERTIFICATION REGARDING LOBBYING For Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his knowledge and belief, that:

1. No funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of the City or of the PAEDC in connection with the awarding of any contract, the making of any grant, the making of any loan, the entering into of any cooperative agreement, or modification of any contract, grant, loan, or cooperative agreement.
2. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements), and that all Subs shall certify and disclose accordingly.

This certification is material representation of fact which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction.

Signed:

By: _____
Signature

Its: _____
Position

EXHIBIT "F"

COMPLIANCE STATEMENT

_____ hereby certifies that it has fully complied with Local Government Code §176.006, effective June 18, 2005, which mandates the disclosure requirements for persons who contract or seek to contract with a local governmental entity.

a Texas _____

By: _____
_____, _____