

GROWTH MANAGEMENT, ANNEXATION, AND REVENUE SHARING
AGREEMENT BETWEEN ST. TAMMANY PARISH GOVERNMENT, SALES TAX
DISTRICT NO. 3, AND THE CITY OF MANDEVILLE

BE IT KNOWN that on the date hereinafter set forth and in the presence of the undersigned Notaries Public, duly commissioned and qualified in and for the State of Louisiana and St. Tammany Parish, or as otherwise noted, and in the presence of the competent witnesses, hereinafter named and undersigned, personally came and appeared:

ST. TAMMANY PARISH GOVERNMENT, a political subdivision of the State of Louisiana, whose mailing address is P.O. Box 628, Covington, Louisiana 70434, herein appearing by and through Michael B. Cooper, Parish President, duly authorized by law (hereinafter referred to as “the Parish”); and

SALES TAX DISTRICT NO. 3, a political subdivision of the State of Louisiana, created by St. Tammany Parish Government by the authority of La. R.S. 47:338.54, formerly La. R. S. 33:2721.6, herein appearing by and through Michael B. Cooper, Parish President, duly authorized by law (hereinafter referred to as “STD#3”); and

THE CITY OF MANDEVILLE, a political subdivision of the State of Louisiana, whose mailing address is 3101 East Causeway Approach, Mandeville, Louisiana 70448, herein appearing by and through Clay Madden, Mayor of the City of Mandeville, duly authorized by law (hereinafter referred to as “Mandeville”).

WHEREAS, the Parish, STD#3, and Mandeville are authorized, pursuant to the provisions of La. R.S. 33:172, La. R.S. 33:224, La. R.S. 33:1321 – 1337, La. R.S. 47:338.54 (G), and La. R.S. 47:338.1(D) to enter into an intergovernmental agreement for the purpose of managing growth and development within St. Tammany Parish and its municipalities in a reasonable and orderly fashion, and for the purpose of managing available resources; and

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

WHEREAS, it is important to manage the resources available by working cooperatively to plan, design, and provide oversight over private development and to develop the public infrastructure needed to meet the needs of the overall parish community; and

WHEREAS, it is important that municipalities be able to grow and provide services for their respective residents; and

WHEREAS, the Parish, Mandeville, and STD#3 desire to enter into a continuing agreement with each other and define areas of growth management, annexation and revenue sharing as further defined herein; and

WHEREAS, the Parties have previously entered into An Agreement Amending the 1990 Sales Tax Enhancement Plan to Provide for Growth Management and Revenue Sharing with an effective date of March 27, 2003, as further amended by a 2012 Amendment to the 1990 Sales Tax Enhancement Plan dated effective July 27, 2012, **and the 2023 Supplemental and Amending Growth Management and Revenue Sharing Agreement dated effective March 24, 2023** (collectively, the “Prior Agreement”); and

WHEREAS, the Parties desire to enter into this revised Agreement and to more clearly state each Parties’ division of Sales Tax (as defined below) proceeds and responsibilities; and

WHEREAS, this Agreement is intended to supersede and replace the Prior Agreement and any prior agreements and/or amendments thereto signed between the Parties that relates to growth management, annexation, and the allocation of Sales Tax (as defined below) proceeds.

NOW, THEREFORE, in consideration of the mutual benefits and covenants contained in this Agreement, the Parties agree and bind their respective offices as follows:

1. **PUBLIC PURPOSE.** The Parties agree that each political subdivision has the authority to make expenditures using STD#3 proceeds that comport with the terms of the Proces Verbal (as defined below); that the transfer of Sales Tax (as defined below) proceeds to Mandeville for expenditures of Sales Tax proceeds in accordance with the terms of the Proces Verbal serves the public by providing adequate drainage and roads; that providing drainage services and improving the drainage system in order to avoid drainage problems within the areas comprising the jurisdiction of STD#3 serves a public purpose; that constructing and improving roads serves a public purpose; that the transfer of Sales Tax proceeds to Mandeville is not gratuitous; and that the object of STD#3, which is to comport with the dictates of the Proces Verbal, will be served and STD#3 expects that this transfer of Sales Tax proceeds to Mandeville will ensure that public roads and drainage within areas comprising the jurisdiction of STD#3 will be furthered.
2. **DEFINITIONS.** The Parties agree that:
 - 2.1. “Agreement” shall mean this Growth Management and Revenue Sharing Agreement between the Parish, STD#3, and Mandeville regarding growth management, annexation, and division of Sales Tax proceeds, and which will become effective **January 1, 2024**.
 - 2.2. “Area One” is that immovable property around Mandeville that is subject to annexation by Mandeville and that is within the boundaries of STD#3. Area One is identified in the attached map and legal description, Exhibits “A” and “B,” respectively. Area One is denoted in yellow on the map. In the 2003 Agreement of the Prior Agreement between the Parties, Area One is referred to as “Annexation Area One” or “Priority 1.” Area One includes two infill areas that are referred to as “Infill Area One” and “Infill Area Two.”
 - 2.3. “Area Two” is that immovable property around Mandeville that is subject to annexation by Mandeville and that is within the boundaries of STD#3. Area Two is identified in the attached map and legal description, Exhibits “A” and “C,” respectively. Area Two is denoted in blue on the map. In the 2003 Agreement of the Prior Agreement between the Parties, Area Two is referred to as “Annexation Area Two” or “Priority 2.”
 - 2.4. “Coded” is the classification that is assigned by the St. Tammany Parish Sheriff to a Developed Commercial Property that delineates the manner in which Sales Tax proceeds are allocated.
 - 2.5. “Developed Commercial Property” means any parcel of land that contains a business making retail sales or producing Sales Tax proceeds. All other property not falling within the definition of Developed Commercial Property shall be considered undeveloped or other property.
 - 2.6. “Growth Management Area” is that immovable property within the boundaries of STD#3 that the City of Mandeville does not intend to annex but which has a significant economic impact of the City. The Growth Management Area is identified in the attached map and legal description, Exhibits “A” and “D,” respectively. The Growth Management Area is denoted in green on the map.
 - 2.7. “Improvement” means a valuable addition made to land that is intended to enhance its value and/or potential as a Developed Commercial Property. A parking lot does not constitute an Improvement if a boundary line of an Area and/or Mandeville divides only the parking lot.
 - 2.8. “Misallocation,” “Misallocate,” and “Misallocated” refers to the improper division of Sales Tax proceeds between the Parties.
 - 2.9. “Party” or “Parties” shall mean the parties that are participating in this Agreement, whether singular or plural; i.e., the Parish, STD#3, and Mandeville.

- 2.10.** “Proces Verbal” shall mean the language that was submitted to and approved by the voters on November 4, 1986, and renewed on July 16, 2005 authorizing a two percent (2%) Sales Tax. The following proposition was submitted to and approved by the voters on July 16, 2005:

Shall Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana (“the “District”), under the provisions of Article VI, Section 29 of the Louisiana Constitution of 1974, and other constitutional and statutory authority, be authorized to continue to levy and collect the tax of two percent (2%) (the “Tax”), previously authorized at an election held on November 4, 1986, for an additional period of 25 years commencing December 1, 2006, upon the sale at retail, the use, the lease or rental, the consumption and the storage for use or consumption, of tangible personal property and on sales of services in the District, with the net proceeds of the Tax heretofore or hereafter collected (after paying the reasonable and necessary costs and expenses of collecting and administering the Tax), to be rededicated and used for the purposes of constructing, acquiring, extending, improving, maintaining and/or operating (i) roads, streets and bridges and (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities, and further including allocation of funds under intergovernmental agreements with municipalities relating to annexations, revenue sharing areas and growth management areas, to be used by said municipalities for any one or more of the aforesaid purpose that have a benefit to residents of the District, and shall the District be further authorized to fund the proceeds of the Tax into bonds from time to time for any of said capital improvements, to the extent and in the manner permitted by the laws of Louisiana, including Sub Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950?

- 2.11.** “STD#3 Sales Tax” or “Sales Tax” shall mean (only) the sales and use tax imposed by STD#3 as authorized by Louisiana constitutional and statutory law (including, but not limited to, La. Rev. Stat. 47:301), the Proces Verbal, as well as St. Tammany Parish Ordinance No. 86-693, adopted September 4, 1986; St. Tammany Parish Ordinance No. 86-730, adopted November 20, 1986; St. Tammany Parish Ordinance No. 86-664, adopted on July 17, 1986; and St. Tammany Parish Ordinance No. 05-1183, adopted September 28, 2005.

3. OBLIGATIONS

3.1. STD#3.

3.1.1. STD#3 will collect the Sales Tax proceeds according to the Proces Verbal.

3.1.2. STD#3 shall collaborate with the Parish, Mandeville and St. Tammany Parish Sheriff’s Office (“STPSO”), under the terms set forth in this Agreement, in an effort to ensure that STD#3 Sales Tax proceeds owing to the jurisdictions of STD#3, the Parish and Mandeville are properly allocated and remitted to each respective Interested Party.

3.1.3. STD#3 shall follow the rules and procedures set forth in this Agreement to resolve any present and future disputes concerning improper allocation or remittance of STD#3 Sales Tax proceeds among STD#3, the Parish and Mandeville.

3.1.4. STD#3 shall comply with all applicable governmental laws, rules, regulations and requirements.

3.2. The Parish.

3.2.1. The Parish will use the Sales Tax proceeds collected for STD#3 according to the Proces Verbal.

- 3.2.2. The Parish shall make all reasonable efforts to inform Mandeville of any Parish projects within the unincorporated or incorporated portions of Area One, Area Two, or the Growth Management Area, and shall consult with Mandeville if a Parish project will impact either a municipal property or a property located within Area One, Area Two, or the Growth Management Area, as defined above.
 - 3.2.3. The Parish shall consult with Mandeville if a Parish project will impact a property within the incorporated boundaries of Mandeville and/or Area One, Area Two, or the Growth Management Area.
 - 3.2.4. The Parish shall collaborate with STD#3, Mandeville and the St. Tammany Parish Sheriff's Office, under the terms set forth in this Agreement, in an effort to ensure that STD#3 Sales Tax proceeds owing to the jurisdictions of STD#3, the Parish and Mandeville are properly allocated and remitted to each respective Interested Party.
 - 3.2.5. The Parish shall follow the rules and procedures set forth in this Agreement to resolve any present and future disputes concerning improper allocation or remittance of STD#3 Sales Tax proceeds among STD#3, the Parish and Mandeville.
 - 3.2.6. The Parish shall comply with all applicable governmental laws, rules, regulations and requirements.
- 3.3. Mandeville.
- 3.3.1. Mandeville will use the Sales Tax proceeds collected for STD#3 according to the Proces Verbal.
 - 3.3.2. Mandeville shall make all reasonable efforts to inform the Parish of any Mandeville projects within the incorporated or unincorporated portions of Area One, Area One, Area Two, or the Growth Management Area, and shall consult with the Parish if a Mandeville project will impact a property located in either a municipal property or a property located within Area One, Area Two, or the Growth Management Area, as defined above.
 - 3.3.3. Mandeville shall consult with the Parish on proposed developments and/or projects that may have an impact on any property within Area One, Area Two, or the Growth Management Area.
 - 3.3.4. Mandeville shall be solely responsible for constructing, acquiring, extending, improving, maintaining and/or operating (i) roads, streets and bridges and (ii) drains and drainage facilities in Area One, not to include state or federal maintained road and drainage infrastructure.
 - 3.3.5. Mandeville shall collaborate with Parish, STD#3 and the STPSO, as set forth in this Agreement, in an effort to ensure that STD#3 Sales Tax proceeds owing to the jurisdictions of Mandeville, the Parish and STD#3 are properly allocated to each respective Interested Party.
 - 3.3.6. Mandeville shall follow the rules and procedures set forth in this Agreement to resolve any present and future disputes concerning improper allocation of STD#3 Sales Tax proceeds among Mandeville, the and STD#3.
 - 3.3.7. Mandeville shall comply with all applicable governmental laws, rules, regulations and requirements.

4. DIVISION OF SALES TAX DISTRICT NO. 3 PROCEEDS

- 4.1. **Developed Commercial Properties within Mandeville's municipal boundaries as of November 4, 1986 (Mandeville incorporated as of November 4, 1986):**

- 4.1.1.** No Sales Tax proceeds will be collected for STD#3.
- 4.2. Developed Commercial Properties within Area One:**
- 4.2.1. Area One:** Eighty percent (80%) of Sales Tax proceeds generated by a Developed Commercial Property within Area One will be collected by STD#3 and remitted to Mandeville, twenty percent (20%) of Sales Tax proceeds generated by a Developed Commercial Property within Area One will be collected by STD#3 and remitted to Parish.
- 4.3. Developed Commercial Properties within Area Two:**
- 4.3.1. Area Two:** Fifty percent (50%) of Sales Tax proceeds generated by a Developed Commercial Property within the Growth Management Area will be collected by STD#3 and remitted to Parish, and fifty percent (50%) of Sales Tax proceeds generated by a Developed Commercial Property within the Growth Management Area will be collected by STD#3 and remitted to Mandeville.
- 4.4. Developed Commercial Properties within the Growth Management Area:**
- 4.4.1. Growth Management Area:** Eighty percent (80%) of Sales Tax proceeds generated by a Developed Commercial Property within the Growth Management Area will be collected by STD#3 and remitted to Parish, and twenty percent (20%) of Sales Tax proceeds generated by a Developed Commercial Property within the Growth Management Area will be collected by STD#3 and remitted to Mandeville.
- 4.5. Developed Commercial Properties outside Area One, Area Two, the Growth Management Area, and Mandeville’s municipal boundaries as of November 4, 1986:**
- 4.5.1.** One hundred percent (100%) of Sales Tax proceeds will be collected by STD#3 and remitted to the Parish.
- 4.6. Developed Commercial Properties across multiple areas:**
- 4.6.1.** In the event that improvements located on a Developed Commercial Property overlap Mandeville’s municipal boundaries as of November 4, 1986, Area One, Area Two, the Growth Management Area, and/or all other areas such that a conflict exists as to the division of Sales Tax proceeds, then Sales Tax proceeds shall be evenly divided between the Parish and Mandeville.
- 4.6.2.** All Parties agree that the location of the cash register in a Developed Commercial Property shall not be determinative of the division of Sales Tax proceeds.
- 4.7.** All Parties agree that in the event that merchandise is delivered to a destination, the division of Sales Tax proceeds regarding such a transaction shall be governed by the point of destination.
- 4.8.** The Parties acknowledge that the goal and purpose, articulated in Article 1 of the Unified Development Code for St. Tammany Parish, are intended to guide and accomplish the coordinated, adjusted, and harmonious development of the Parish. If Mandeville annexes immovable property and enacts a zoning classification for that immovable property which permits more intense commercial or industrial land use than the zoning classification adopted for the property by the Parish prior to the annexation, then Sales Tax proceeds generated by Developed Commercial Property in the annexed area may be remitted solely to the Parish. If the Parish objects to the zoning classification that permits more intense commercial or industrial land use, as outlined in Section 6.5, the Parish may, at its sole discretion, choose to retain one hundred percent (100%) of the Sales Tax proceeds generated by Developed Commercial Property in the annexed area.

4.9. Mandeville shall segregate Sales Tax proceeds from other income and maintain a separate account for Sales Tax proceeds. Within ninety (90) days after the close of each fiscal year, Mandeville shall:

4.9.1. If the amount Sales Tax proceeds for point of delivery and motor vehicle sales cannot be determined, Mandeville shall prepare and provide to the Parish an affidavit that states that the reasonably identified amount of Sales Tax proceeds derived from motor vehicle and/or point of delivery sales shall be and are being used in a manner consistent with the terms of the Proces Verbal. The methodology for determining a reasonable amount shall be established by mutual consent of the Parties; and

4.9.2. Prepare and provide to the Parish an annual report that provides an accounting of the receipt and expenditure of all Sales Tax proceeds, other than those derived from motor vehicle and/or point of delivery sales, received by Mandeville during the preceding calendar year. The report shall list the assets and liabilities at the end of the year, the income and expenditures for the year, including detailed schedules on purchases, and other data pertinent to the expenditure of Sales Tax proceeds.

5. ANNEXATION PROCEDURE

5.1. Mandeville may annex immovable property in Area One and Area Two in accordance with the provisions of La. R.S. 33:171 through La. R.S. 33:180.

5.2. Mandeville must provide written notice of its intent to annex property pursuant to La. R.S. 33:172, by certified mail, return receipt requested, to the Parish at least one (1) month in advance of the date of the Mandeville Council meeting regarding the annexation.

5.3. The annexation of immovable property within Area One and Area Two shall not require Parish approval; however, Mandeville shall not adopt an ordinance or resolution that finalizes the annexation until the Parish Council adopts a resolution concurring, for tracking purposes, with the annexation. Otherwise, the Parish is entitled to seek relief under Section 12 of this Agreement.

5.4. The Parish will not object to an attempt by Mandeville to annex any immovable property in Area One or Area Two; however, all annexations shall comport with state law.

5.5. Mandeville shall not annex property in the Growth Management Area.

6. LAND USE AND ZONING

6.1. The Parish and Mandeville may mutually agree to develop regulatory ordinances to manage growth areas. These ordinances may include but are not limited to land use, zoning, project design, drainage, traffic, and transportation infrastructure, plus other regulatory functions.

6.2. The Parish and Mandeville agree that, upon the annexation of undeveloped property, the more restrictive drainage and/or traffic impact regulations of either Parish or Mandeville shall be applicable to such annexed property for two (2) years after the municipal ordinance annexing the property into Mandeville.

6.3. If the Parish and Mandeville agree that different regulations than either the Parish's or Mandeville's should apply to property that is the subject of the annexation, modifications to the applicable regulations may be made upon the written concurrence of the Engineering Departments of the Parish and Mandeville.

6.4. The Parish and Mandeville agree to cooperate in the review and approval of any drainage plans and/or traffic impact analysis, in order to insure the least amount of adverse drainage and traffic impacts on surrounding areas and to existing and future drainage and traffic infrastructure.

- 6.5.** Pursuant to the dictates and intent of La. R.S. 33:172(A)(1)(e), upon application of Mandeville, the Parish may concur with the change in zoning, and if agreed to, the annexed immovable property shall be subject to this Agreement in regard to the division of Sales Tax proceeds. (Please refer to Section 4.6 of this Agreement as to the manner in which STD#3 proceeds shall be divided if the Parish does not concur and the annexed immovable property is not subject to this agreement). Any request by Mandeville for a zoning classification that permits more intense commercial or industrial land use than the zoning classification adopted for the property by the Parish prior to the annexation shall be sent to the Parish's designee by certified mail, return receipt requested. If the Parish does not respond to the request within sixty (60) days of receipt of the request, it shall be deemed approved by the Parish. This shall not apply to immovable property that is surrounded at least ninety percent (90%) by Mandeville.
- 6.6.** Once a conceptual development plan and a PD or PUD zoning classification are established for a property, as provided above, further zoning actions consistent with that plan and classification shall not require Parish approval.

7. PROCEDURE FOR RESOLUTION OF SALES TAX MISALLOCATION

- 7.1.** Preliminary Identification and Determination of Misallocation. In the event that an Interested Party believes it has identified a misallocation of STD#3 Sales Tax proceeds as contemplated by this Agreement, the identifying Interested Party shall provide written notice of the error to the STPSO, including all supporting documentation therewith. The identifying Interested Party shall copy all Interested Parties to this Agreement on said notice.
- 7.2.** Upon receipt of written notice as provided in Section 7.1, the STPSO shall acknowledge receipt thereof to all Interested Parties, in writing, and conduct an audit concerning said misallocation in an effort to determine (1) whether any misallocation occurred; (2) if a misallocation occurred, the amount of the misallocation; and (3) the manner in which any such misallocation occurred.
- 7.3.** In conducting its audit, the Interested Parties agree that the STPSO may utilize any and all resources it deems necessary and appropriate, including, but not limited to, municipal and parish land and property records, tax and assessment records, and any information or documentation supplied by an Interested Party to this Agreement as detailed in Section 7.1 or otherwise. The STPSO may request additional information or documentation from an Interested Party concerning the subject of an audit, and the Interested Parties agree to provide said information and/or documentation to the STPSO absent a claim of legal privilege or some other non-arbitrary, justifiable basis thereto. In the event that an Interested Party declines to provide the requested information to the STPSO on the basis of privilege or otherwise, it shall set forth in writing the basis for said declination to the STPSO and all Interested Parties within thirty (30) days of receipt of the initial request for information from the STPSO.
- 7.4.** The Interested Parties acknowledge that the STPSO, from time to time, may discover a misallocation of STD#3 Sales Tax proceeds through its own research. In such an event, the Interested Parties authorize the STPSO to notify all Interested Parties to this Agreement and proceed with an audit as outlined above and as further provided in this Agreement.
- 7.5.** Time Limitation. The Interested Parties agree that the amount of Sales Tax proceeds subject to reallocation under this Agreement shall be limited to the following:
- 7.5.1.** For a misallocation discovered by the STPSO, those proceeds accruing within three (3) calendar years prior to the date that the STPSO has first notified the Interested Parties to this Agreement of the misallocation through the process set forth above in Section 7.4, the current year and the period of time beginning on the date of initial notice and ending on the date the cause of the misallocation is corrected by the STPSO, if the conclusion is final that, in fact, a misallocation occurred; and

7.5.2. For a misallocation not discovered by the STPSO, those proceeds accruing within three (3) calendar years prior to the date that the STPSO has first been notified by an Interested Party to this Agreement of the misallocation through the process set forth above in Section 7.1, the current year and the period of time beginning on the date of initial notice and ending on the date the cause of the misallocation is corrected by the STPSO, if the conclusion is final that, in fact, a misallocation occurred.

7.6. Audit Findings. Within fifteen (15) business days after completing its audit, or as soon thereafter as practicable, the STPSO shall provide copies of its written report to the Interested Parties. The report shall include, at minimum, the information described in Section 7.2 above.

7.7. Dispute of Audit Findings. In the event that STPSO, through its audit, determines that a misallocation has occurred, any Interested Party shall have forty five (45) days from the date of receipt of the audit findings to object to and dispute the same. Any dispute of said findings must be made in writing to STPSO, with a copy of said correspondence and relevant documentation sent to all Interested Parties to this Agreement. In the event that no Interested Party objects to the audit findings of STPSO as set forth above, it will be presumed that all Interested Parties (1) accept the findings of the STPSO's audit and (2) agree to the settlement and remittance of Sales Tax proceeds among the Interested Parties, as justified in the audit findings of STPSO, in accordance with the conditions and procedures set forth below in Section 7.9. In the event that one or more of the Interested Parties object to the audit findings of STPSO as set forth above, the Interested Parties to this Agreement shall have sixty (60) days from the date of first objection to discuss and resolve said objection. Thereafter, the following procedure shall govern such dispute:

7.7.1. If the Interested Parties are able to resolve the objection to STPSO's audit findings within said sixty (60) day period, any Interested Party who is found by STPSO to owe a misallocation balance under this Agreement, as reflected by the accord and understanding of the Interested Parties, shall agree to the remittance of Sales Tax proceeds in accordance with the conditions and procedures set forth below in **Section 7.9**.

7.7.2. If the Interested Parties are unable to resolve the objection to STPSO's audit findings within said sixty (60) day period, and if no Interested Party sends formal, written notice to STPSO and all Interested Parties invoking settlement procedures as set forth below in **Section 7.8** within said sixty (60) day period, the Interested Parties shall agree to the settlement and remittance of Sales Tax proceeds among the Interested Parties, as justified in the audit findings of the STPSO, in accordance with the conditions and procedure set forth below in **Section 7.9**.

7.8. Settlement and Remittance of Sales Tax Proceeds. The interested parties agree to employ the following procedure concerning the settlement and remittance of Sales Tax proceeds under this Agreement.

7.8.1. For a misallocation balance owed by an Interested Party under this Agreement, as confirmed by a mutual agreement of the Interested Parties reached pursuant to Section 7.7.1 of this Agreement, pertinent audit findings of the STPSO or arbitral award, any of which occur at least five (5) months prior to the date on which said Party's governing authority and/or legislative council adopts its official Budget for the subsequent Fiscal Year:

7.8.1.1. Said owing Interested Party shall make every effort to include the payment of the misallocation balance in its adopted budget for the Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7.1** of this Agreement, pertinent audit findings of STPSO or arbitral award, and shall thereafter remit the balance of said misallocation in two (2) lump sum payments, as follows:

7.8.1.1.1. That portion of the misallocation balance accruing within the

period of time encompassing three (3) calendar years prior to the date that the Interested Parties to this Agreement have first been notified of the misallocation through the process set forth above in **Sections 7.1 or 7.4**, as well as the current year, if the conclusion is final that, in fact, a misallocation occurred, shall be made by the owing Interested Party no later than the conclusion of the second quarter of the Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7(a)** of this Agreement, pertinent audit findings of STPSO or arbitral award; and

7.8.1.1.2. That portion of the misallocation balance accruing within the period of time beginning on the date that the Interested Parties to this Agreement have first been notified of the misallocation through the process set forth above in **Sections 7.1 or 7.4** and ending on the date the cause of the misallocation is corrected by STPSO, if the conclusion is final that, in fact, a misallocation occurred, shall be made by the owing Interested Party no later than the conclusion of the second quarter of the second Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7(a)** of this Agreement, pertinent audit findings of STPSO or arbitral award.

7.8.1.1.2. For a misallocation balance owed by an Interested Party under this Agreement, as confirmed by a mutual agreement of the Interested Parties reached pursuant to Section 7.7(a) of this Agreement, pertinent audit findings of the STPSO or arbitral award, any of which occur less than five (5) months prior to the date on which said Party's governing authority and/or legislative council adopts its official Budget for the subsequent Fiscal Year:

7.8.1.1.2.1. Said owing Interested Party shall make every effort to include the payment of the misallocation balance in its adopted budget for the second Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7(a)** of this Agreement, pertinent audit findings of STPSO or arbitral award, and shall thereafter remit the balance of said misallocation in two (2) lump sum payments, as follows:

7.8.1.1.2.1.1. That portion of the misallocation balance accruing within the period of time encompassing three (3) calendar years prior to the date that the Interested Parties to this Agreement have first been notified of the misallocation through the process set forth above in **Sections 7.1 or 7.4**, as well as the current year, if the conclusion is final that, in fact, a misallocation occurred, shall be made by the owing Interested Party no later than the conclusion of the second quarter of the second Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7(a)** of this Agreement, pertinent audit findings of STPSO or arbitral award; and

7.8.1.1.2.1.2. That portion of the misallocation balance accruing within the period of time beginning on the date that the Interested Parties to this Agreement have first been notified of the misallocation through the process set forth above in **Sections 7.1 or 7.4** and ending on the date the cause of the misallocation is corrected by STPSO, if the conclusion is final that, in fact, a misallocation occurred, shall be made by the owing Interested Party no later than the conclusion of the second quarter of the third Fiscal Year subsequent to the date of mutual agreement of the Interested Parties pursuant to **Section 7.7(a)** of this Agreement, pertinent audit findings of STPSO or arbitral award.

7.9. Release of Claims. Upon the full settlement and remittance of Sales Tax proceeds among the Interested Parties pursuant to the completion of an audit of a misallocation, or as otherwise set forth in this Agreement, the Interested Parties agree to release any and all claims, causes of action and grievances of any nature whatsoever that they might have with respect to said misallocation, audit, and the circumstances giving rise to said audit.

7.10. The Interested Parties acknowledge and agree that no provision of this Agreement is intended to change, alter or modify the original method of calculation and division of Sales Tax proceeds by the STPSO as related to Parish, STD#3, Mandeville or any other jurisdiction. Rather, through the execution of this Agreement, the Interested Parties desire solely to create a framework whereby present and future misallocations and divisions of Sales Tax proceeds, as contemplated in this Agreement, may be fully, harmoniously and judiciously resolved, where and as necessary, for the benefit of all Parties to this Agreement.

8. TERMINATION AND BINDING NATURE

8.1. This Agreement shall become effective on **January 1, 2024**, and shall terminate on November 30, 2031.

8.2. Time is of the essence and the performance of the terms and conditions hereof shall be held in strict accordance with the times and dates specified herein.

8.3. Any alteration, variation, modification, or waiver of provisions of this Agreement shall be valid only when it has been reduced to writing and approved of and executed by all Parties prior to the alteration, variation, modification, or waiver of any provision of this Agreement

8.4. Should any Interested Party seek to terminate this Agreement for any reason prior to the expiration of the Term, the Interested Party seeking to terminate shall provide written notice of its intent to terminate thirty (30) days prior to the date of termination.

9. CONTRACTUAL VALIDITY AND MISCELLANEOUS PROVISIONS

9.1. If attempt at dispute resolution, pursuant to Section 13 of this Agreement, should fail, any suit filed by a Party that arises out of or relates to this Agreement shall be filed in the 22nd Judicial District Court for the Parish of St. Tammany, which shall have exclusive venue and jurisdiction for any such action.

9.2. Any delay or failure to take any action pursuant to this Agreement or to exercise any right granted herein does not serve as a waiver to any other obligation contained herein.

9.3. The Parties agree and acknowledge that the obligations and covenants made herein give rise to contractual rights of each party and the right to demand specific performance and any claim to damages suffered hereunder.

9.4. No Party herein shall assign any interest in this Agreement (whether by assignment or novation). This Agreement may be amended only by mutual written consent of the Parties.

9.5. Each representative herein warrants that they have the requisite authority and permission to enter, sign and bind their office.

9.6. Each Party certifies that it will adhere to and follow any and all ordinances and laws applicable to each Party's obligations as stated herein.

9.7. Each Party shall comply with all applicable federal, state and local laws and regulations, including, but not limited to, the Louisiana Code of Government Ethics

(LSA R.S. § 42:1101, *et seq.*) and the quasi-public agency audit and reporting requirements by the Louisiana Legislative Auditor (LSA R.S. § 24:513A(1)(b)(iv)) in carrying out the provisions of this Agreement.

10. **ENTIRE AGREEMENT.** This Agreement constitutes the entire understanding and reflects the entirety of the undertakings between the Parties with respect to the subject matter hereof, and supersedes all negotiations, prior discussions, preliminary agreements, and/or prior agreements.
11. **APPLICABLE LAW.** This Agreement will be governed by and construed in accordance with the laws of the State of Louisiana without regard to conflict of laws principles.
12. **DEFENSE AND INDEMNITY.** Mandeville agrees to indemnify, hold harmless and defend Parish, and its respective officers, agents, servants, attorneys and employees from and against any and all claims, demands, losses, suits, damages, judgments, costs and expenses, whether indirect or consequential, and including, but not limited to, all fees, expenses and charges of attorneys and other professionals, as well as court costs and expenses, for actions or inactions arising out of, in connection with or resulting Mandeville's misuse of Sales Tax proceeds that may be due to and caused in whole or in part by any act, error, or commission or omission of any act by negligence or otherwise.
13. **DISPUTE RESOLUTION; MEDIATION.** If a dispute other than one as to Annexation arises out of or relates to this Agreement, the aggrieved Party shall put the other Parties on notice and make demand for resolution of the Claim. Thereafter, the Parties shall use their best efforts to settle the Claim. To that effect, the Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to the Parties. If, after thirty (30) days, the Parties do not reach a resolution, the Parties shall meet with the Sheriff of St. Tammany Parish ("Sheriff") in order to resolve the Claim. If, after the next thirty (30) days, the Parties do not reach a resolution or conduct a meeting with the Sheriff, the Parties shall attempt to settle the Claim by non-binding mediation as a condition precedent to litigation. A written request for mediation by the requesting Party shall be given to the other Parties. A mediator shall be chosen by, and the cost of the mediator shall be shared equally by, Mandeville and the Parish. A location for the mediation shall be mutually agreed upon. Agreements reached as a result of the mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof. If a Party fails to respond to a written request for mediation within thirty (30) days after being put on notice of the request for mediation by the other Party, that Party shall be deemed to have waived its right to mediate the issue in dispute and the condition precedent of conducting mediation prior to instituting suit shall be considered fulfilled.
14. **FORCE MAJEURE.** If either party hereto shall be delayed or hindered in, or prevented from, the performance of any act required under this Agreement by reason of strikes, walk outs, labor troubles, inability to procure materials, failure of power, weather, riots, insurrection, terrorism, war or other reason of a like nature not the fault of the Party delayed in performing work or doing as required under the terms of the Agreement, then performance of such act or obligation shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.
15. **INTERPRETATION.** Each party has assisted in the preparation of this Agreement and has had the opportunity to make changes to the language used in this Agreement. As such, in interpreting the meaning of any language contained in this Agreement, the rule of construction that ambiguous language shall be construed against the Party drafting the document shall not apply.

16. SEVERABILITY. In the event that any one or more provisions of this Agreement is for any reason held to be unenforceable, illegal, and/or invalid, the Parties shall attempt in good faith to amend the defective provision in order to carry out the original intent of this Agreement. If the defective provision cannot be amended to accomplish this goal, the provision(s) shall be severed and the remainder of this Agreement shall remain in full force and effect.

17. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

18. NOTICES. Any notice required or permitted to be given under or in connection with this Agreement, unless otherwise specified, shall be in writing and shall be either hand-delivered or mailed, postage pre-paid by First Class Mail, registered or certified, return receipt requested, or delivered by private, commercial carrier, express mail, such as Federal Express, or sent by telecopier or other similar form of electronic transmission confirmed by written confirmation mailed (postage pre-paid by First Class Mail, registered or certified, return receipt requested or private, commercial carrier, express mail such as Federal Express) at substantially the same time as such rapid transmission. All communications shall be transmitted to the address or number set forth below or such other addresses or numbers to be named hereafter designated by a party in written notice to the other party compliant with this section.

If to Mandeville:

City of Mandeville
Clay Madden, Mayor
3101 East Causeway Approach
Mandeville, Louisiana 70448

If to the Parish:

St. Tammany Parish Government
Michael B. Cooper, Parish President
P.O. Box 628
Covington, LA 70434

If to the STD#3:

St. Tammany Parish Government
Michael B. Cooper, Parish President
P.O. Box 628
Covington, LA 70434

THUS DONE AND SIGNED in multiple originals, to be executed simultaneously in two or more counterparts, each of which shall be deemed an original on the _____ day of _____, 2023 in the presence of the undersigned witnesses.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in multiple originals by the hereunder signed officers, each in the presence of the undersigned two (2) competent witnesses in St. Tammany Parish, State of Louisiana, as of the dates set forth, below after diligent reading of the whole, in various counterparts.

WITNESSES:

ST. TAMMANY PARISH GOVERNMENT

BY: _____

**MICHAEL B. COOPER
PARISH PRESIDENT**

NOTARY PUBLIC

DRAFT

THUS DONE AND SIGNED in multiple originals, to be executed simultaneously in two or more counterparts, each of which shall be deemed an original on the _____ day of _____, 2023 in the presence of the undersigned witnesses.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in multiple originals by the hereunder signed officers, each in the presence of the undersigned two (2) competent witnesses in St. Tammany Parish, State of Louisiana, as of the dates set forth, below after diligent reading of the whole, in various counterparts.

WITNESSES:

SALES TAX DISTRICT NO. 3

BY: _____

**MICHAEL B. COOPER
PARISH PRESIDENT**

NOTARY PUBLIC

DRAFT

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in multiple originals by the hereunder signed officers, each in the presence of the undersigned two (2) competent witnesses in St. Tammany Parish, State of Louisiana, as of the dates set forth, below after diligent reading of the whole, in various counterparts.

THUS DONE AND SIGNED on the _____ day of _____, 2023 in the presence of the undersigned witnesses.

WITNESSES:

CITY OF MANDEVILLE

BY: _____

**CLAY MADDEN
MAYOR**

NOTARY PUBLIC

DRAFT