

**THE NON-FLOOD PROTECTION ASSET MANAGEMENT AUTHORITY
MINUTES OF THE FULL BOARD MEETING
THURSDAY JULY 19, 2012 – 5:30 P.M.**

The regular monthly meeting of the Board of the Non-Flood Protection Asset Management Authority of the Orleans Levee District was held on Thursday, July 19, 2012 at 5:30 P.M., in the Lake Vista Community Center, 2nd Floor, 6500 Spanish Fort Blvd., New Orleans, Louisiana after due legal notice of the meeting was sent to each Board member, the news media, and a copy of the call was posted.

Chairman Lupo called the meeting to order at 5:41 p.m. and led in the Pledge of Allegiance. The roll was called and a quorum was present.

PRESENT:

Chairman Robert Lupo
Secretary Greg Ernst
Commissioner Patrick Derouen
Commissioner Michael Stack
Commissioner Stanley Brien
Commissioner Carlton Dufrechou
Commissioner Darrel Saizan
Commissioner John Trask
Commissioner Nyka Scott

ABSENT:

Vice Chairman Joe Hassinger
Commissioner Romona Baudy
Commissioner Wilma Heaton
Commissioner William Hoffman
Commissioner Pearl Cantrelle

STAFF:

Louis Capo - Executive Director
Sharon Martiny - Non-Flood
Dawn Wagener - Non-Flood
Chuck Dixon – Marina Director
Fred Pruitt – Airport Director

ALSO PRESENT:

Al Pappalardo - Real Estate Consultant
Gerard Metzger - Legal Counsel
Chris Fenner – Stuart Consulting
David Bacci – Stuart Consulting
Valentino Rovera – AeroPremier
Scott Zimmerman - Hawthorne
Ray Landeche - Lakeshore

ADOPT AGENDA

Commissioner Saizan offered a motion to adopt the Agenda, seconded by Commissioner Trask and unanimously adopted.

APPROVAL OF PRIOR MINUTES

Commissioner Ernst offered a motion to approve the minutes of the Board meeting held June 21, 2012, seconded by Commissioner Saizan and unanimously adopted.

REPORT BY EXECUTIVE DIRECTOR

Mr. Capo announced that election of officers for the Board of the Non-Flood Protection Asset Management Authority will take place at the August 23, 2012 Board meeting. The Nominating Committee put in place on August 18, 2012 by Resolution No. 01-081811 consists of Vice-Chairman Joe Hassinger, Commissioner Greg Ernst, Commissioner John Trask, Commissioner Darryl Saizan and Commissioner Carlton Dufrechou. Nominations for the positions of Chairman, Vice-Chairman and Secretary of

the Non-Flood Protection Asset Management Authority should be submitted to any member of the Nominating Committee or the Executive Director by Wednesday August 1, 2012. The Nominating Committee meeting will be scheduled during the week of August 6, 2012. The Nominating Committee will meet and come forth with recommendations to present at the August 23, 2012 full Board meeting.

COMMITTEE REPORTS

Airport Committee – The July 10, 2012 Airport Committee meeting was cancelled.

Marina Committee - The July 10, 2012 Marina Committee meeting was cancelled.

Commercial Real Estate - The July 12, 2012 Commercial Real Estate Committee meeting was cancelled.

Recreation/Subdivision Obligation - The July 12, 2012 Recreation/Subdivision Committee meeting was cancelled. Mr. Capo reported that the bid for the utility crossings on Lakeshore Drive will be advertised during the month of July and the bids are due back in August. The utility crossing matter is moving forward.

Legal Committee - The July 12, 2012 Legal Committee meeting was cancelled.

Finance Committee – Mr. Capo noted that the items discussed during the Finance Committee meeting are on the Agenda for approval by the full Board.

NEW BUSINESS

Motion No. 01-071912

Approval of Estoppel Certificate for Hawthorne FBO lease at Lakefront Airport

The Estoppel Certificate was requested by Hawthorne New Orleans, LLC in favor of Capdevielle Title Corporation and Chicago Title Insurance Company.

Mr. Metzger advised that this is a standard Estoppel Certificate with the Authority certifying that the lease with AeroPremier, now held by Hawthorne, is in full force and effect and there are no defaults and the Orleans Levee District is the owner of the leasehold. The Certificate also states that servitudes on the property are in the conveyance records of Orleans Parish and that no work has been performed on the property in the last 90 days. The Estoppel Certificate was requested and is being certified in favor of Chicago Title Insurance Company and Capdevielle Title Company who advised Hawthorne that the document is required from the landlord.

Motion No. 01-071912 by Commissioner Saizan, seconded by Commissioner Trask was unanimously adopted to wit:

MOTION: 01-071912
RESOLUTION: 01-071912
BY: COMMISSIONER SAIZAN
SECONDED BY: COMMISSIONER TRASK

July 19, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the New Orleans Lakefront Airport (“Airport”) is one of the non-flood protection assets of the District under the management and control of the Management Authority;

WHEREAS, on April 8, 2008 the Orleans Levee District, then under the management and control of the Division of Administration of the State of Louisiana, entered into a Lease with AeroPremier Jet

Center, L.L.C. (“AeroPremier”), effective June 1, 2008, for a term of five (5) years, with three (3) five year options to renew, for the purpose of the operation of a fixed base operation at the Airport (the “Lease”);

WHEREAS, the Lease was assigned by AeroPremier to Hawthorne New Orleans, L.L.C. (“Hawthorne”);

WHEREAS, Hawthorne has requested that the Management Authority approve execution of an Estoppel Certificate in favor of Capdevielle Title Corporation and Chicago Title Insurance Co., certifying that the Lease is in full force and effect, there are no defaults by the Lessee, that the lease has not been modified or amended except as set forth in the Estoppel Certificate and that the Orleans Levee District is the owner of the Leased Premises and other matters set forth in the Estoppel Certificate;

WHEREAS, after considering the request of Hawthorne for approval of the Estoppel Certificate, and the recommendations of the Management Authority’s staff, real estate consultant and legal counsel, the Management Authority concluded that it is in the best interest of the Airport and Orleans Levee District to approve the Estoppel Certificate requested by Hawthorne in favor of Capdevielle Title Corporation and Chicago Title Insurance Co.

BE IT HEREBY RESOLVED, that the Authority approves the Estoppel Certificate requested by Hawthorne New Orleans, L.L.C. in favor of Capdevielle Title Corporation and Chicago Title Insurance Co.; and,

BE IT HEREBY FURTHER RESOLVED, that the Chairman or Executive Director be and he is authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, ERNST, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN, DEROUEN, SCOTT
NAYS: NONE
ABSTAIN: NONE
ABSENT: HASSINGER, BAUDY, HOFFMAN, HEATON, CANTRELLE
RESOLUTION ADOPTED: YES

Motion No. 02-071912

Approval to renew Flood Insurance

Mr. Capo noted that Motion No. 02-071912 approves renewal of Flood Insurance with Fidelity National Indemnity Insurance Company through Eagan Insurance Agency in the amount of \$87,585. The Flood Insurance will expire on July 21, 2012. The Insurance Committee recommends approval of securing Flood Insurance on Non-Flood properties. Flood Insurance cannot be synced with the fiscal year as the policy would have to be cancelled and reissued with a 30-day waiting period in the middle of storm season. Coverage maximum is \$500,000 on all buildings. The premium increased approximately \$900 per property.

Motion No. 02-071912 by Commissioner Hoffman, seconded by Commissioner Trask was unanimously adopted to wit:

MOTION: 02-071912
RESOLUTION: 02-071912
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIONER TRASK

July 19, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Flood Insurance renewal is due on the properties listed below:

Orleans Marina Harbor Master Building	\$11,958
Lakefront Airport Terminal Building	\$10,343
Williams/Taylor Hangar	\$10,343
McDermott Hangar	\$10,343

Airport Fire Station	\$12,936
Shelter #1	\$10,343
Shelter #2	\$10,343
Shelter #4	\$10,343
Lake Vista Community Center	<u>\$ 633</u>
	<u>\$ 87,585</u>

WHEREAS, Eagan Insurance Agency Inc., has received quotes from Fidelity National Indemnity Insurance Company to provide flood insurance coverage on the above named properties in the amount of \$500,000.00 with a \$5,000.00 deductible,

WHEREAS, this matter was discussed at the July 9, 2012 Special Insurance Committee meeting and was recommended that the Management Authority procure a Flood Insurance policy with Fidelity National Indemnity Insurance Company to provide flood insurance coverage on the above named properties in the amount of \$500,000.00 with a \$5,000.00 deductible.

BE IT RESOLVED; that the Non-Flood Protection Asset Management Authority authorizes the procurement of Flood Insurance for the above named properties through Eagan Insurance Agency Inc., with Fidelity National Indemnity Insurance Company in the amount of \$87,585, and

BE IT FURTHER RESOLVED, that the Authority Chairman or Executive Director be authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, ERNST, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN, DEROUEN, SCOTT
NAYS: NONE
ABSTAIN: NONE
ABSENT: HASSINGER, BAUDY, HOFFMAN, HEATON, CANTRELLE
RESOLUTION ADOPTED: YES

Motion No. 03-071912

Motion for approval of assignment of lease by Estate of Ruston D. Johnson to Dageaux Fishing Chargers, L.L.C. and approval of Tri Party Agreement

Mr. Metzger reported that Motion 03-071912 is a standard assignment of lease for South Roadway Boathouse #N15 by the Estate of Ruston D. Johnson to Dageaux Fishing Charters, L.L.C. and approval of Tri-Party Agreement between the Authority, Degeaux Fishing Charters, L.L.C. and First NBC Bank for the leasehold mortgage. The price is \$105,000 and the Authority will receive an 8% transfer fee of \$8,400 for the assignment of the lease as provided under Article 7 of the lease. The assignee will assume all obligations under the lease and the Authority will release the estate of Mr. Johnson. If the tenant defaults the bank will be in a position to take the lease over and have a right to assign the lease. The Authority will then have a conditional right of approval. The transfer fee will again be applicable if there is an assignment by the bank.

Motion No. 03-071912 by Commissioner Hoffman, seconded by Commissioner Ernst was unanimously adopted to wit:

MOTION: 03-071912
RESOLUTION: 03-071912
BY: COMMISSIONER HOFFMAN
SECONDED BY: COMMISSIONER ERNST

July 19, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Orleans Marina located at West End in the City of New Orleans is one of the non-flood protection assets of the Orleans Levee District under the management and control of the Management Authority;

WHEREAS, as owner of the Orleans Marina, the Orleans Levee District is authorized to lease its water bottoms and land as moorings for boats and construction of boathouses for fair and equitable rental rates, as provided under La.Rev.Stat. 38:336(A) and (B)(4);

WHEREAS, South Roadway Boathouse No. N-15 is currently leased to Rustin D. Johnson pursuant to the terms of a written lease signed on October 26, 2007 and is for a term of five (5) years with five 5-year renewal options (the "Lease");

WHEREAS, Rustin D. Johnson is deceased and his succession representative has requested approval to assign and transfer the lease of Boathouse No. N-15 to Dageaux Fishing Charters, L.L.C.;

WHEREAS, under the terms of the proposed Assignment of the Lease, Dageaux Fishing Charters, L.L.C. will assume all obligations of the lessee under the Lease;

WHEREAS, under Article VII of the Lease the Lessor's consent is required for an assignment of the Lease and this Article also provides for payment to the Lessor of an Eight (8%) Percent transfer fee of the total amount of any consideration received by the Lessee;

WHEREAS, Dageaux Fishing Charters, L.L.C. has arranged to finance the acquisition of the Lease with a leasehold mortgage by First NBC Bank, and First NBC Bank has requested the execution of a Tri-Party Agreement by the Management Authority, Dageaux Fishing Charters, L.L.C. and First NBC Bank, under the terms of which the Bank will receive estoppel covenants from the Management Authority, notice of any defaults by the Lessee and rights to acquire the Lease in the event of a default;

WHEREAS, the District's staff, real estate consultant and legal counsel reviewed these requests and recommended to the Finance Committee at its meeting held on July 12, 2012 approval of the assignment of the Lease, conditioned upon payment of the transfer fee of Eight (8%) Percent of the total amount of any consideration received by the Lessee's succession, and approval of the Tri-Party Agreement requested by First NBC Bank;

WHEREAS, after considering these requests, the Finance Committee of the Management Authority at its meeting held on July 12, 2012 recommended approval of the assignment of the Lease under the terms set forth above and execution of the Tri-Party Agreement requested by First NBC Bank; and,

WHEREAS, the Management Authority after considering this matter resolved that it would be in the best interest of the Orleans Levee District to approve the assignment of the Lease under the terms set forth above and to approve execution of the Tri-Party Agreement requested by First NBC Bank.

BE IT HEREBY RESOLVED, that the Management Authority approves the assignment and transfer of the Lease of South Roadway Boathouse No. N-15 by the succession of Rustin D. Johnson to Dageaux Fishing Charters, L.L.C., conditioned upon payment to the Orleans Levee District of the transfer fee of Eight (8%) Percent of the total amount of any consideration received by the Lessee's succession for the assignment of the Lease, as provided under Article VII of the Lease, and also approves the Tri-Party Agreement requested by First NBC Bank.

BE IT FURTHER RESOLVED, that the Chairman or Executive Director of the Management Authority is authorized to take any action and to sign any and all documents necessary to accomplish the above.

AYES: LUPO, ERNST, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN, DEROUEN, SCOTT
NAYS: NONE
ABSTAIN: NONE
ABSENT: HASSINGER, BAUDY, HOFFMAN, HEATON, CANTRELLE
RESOLUTION ADOPTED: YES

Motion No. 04-071912

Approval of lease agreement, 6501 Spanish Fort Blvd., Metro Studio, LLC

Mr. Pappalardo reported that Motion 04-071912 approves the lease agreement for 6501 Spanish Fort Blvd., Store No. A in the Lake Vista Community Center with Metro Studio, LLC under the terms and conditions specified in the

Resolution and the standard terms and conditions for leasing in the Lake Vista Community Center for the Authority.

Mr. Pappalardo advised the Board that 6501 Store No. A is presently in an unfinished condition. The Authority negotiated with the tenant and the tenant has agreed to perform the build-out. The tenant will be credited one-half of the cost of the tenant build-out over the two year lease period at the rate of \$517 per month. The rent credit amounts to approximately \$9.00 per square foot. This is an excellent way for the Authority to get the property back in commerce.

Motion No. 04-071912 by Commissioner Hoffman, seconded by Commissioner Trask was unanimously adopted to wit:

MOTION: 04-071912

RESOLUTION: 04-071912

BY: COMMISSIONER HOFFMAN

SECONDED BY: COMMISSIONER TRASK

July 19, 2011

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority (“Management Authority”) is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District (“District”);

WHEREAS, the Lake Vista Community Center is one of the non-flood assets of the Orleans Levee District under the management and control of the Management Authority;

WHEREAS, Metro Studio, L.L.C. has offered to lease Store No. A, bearing Municipal Address No. 6501 Spanish Fort Boulevard, in the Lake Vista Community Center (the “leased premises”);

WHEREAS, the proposal by Metro Studio, L.L.C. to lease Store No. A is for a term of two years, commencing on August 1st, 2012 and ending on July 31th, 2014 (the “primary term”) with one (1) two-year option to renew (the “option term”);

WHEREAS, the proposed rent for the lease of the leased premises during the primary term shall be \$14.00 per square foot, for an annual rental of \$19,320.00, payable in twelve (12) monthly installments of \$1,610.00 per month;

WHEREAS, in consideration of the improvement work to be performed by Lessee at its sole cost in the leased premises, Lessor hereby grants a tenant allowance in the form of a reduction of rent in the amount of \$517.00 per month during the primary term.

WHEREAS, the rental for the option term shall be the fair market rental value for locations in the Lake Vista Community Center at the time that these options are exercised;

WHEREAS, the proposal by Metro Studio, L.L.C. for the lease of Store No. A in the Lake Vista Community Center has been reviewed by the Real Estate Consultant for the Management Authority who has recommended approval of said lease; and,

WHEREAS, the proposal by Metro Studio, L.L.C. for the lease of Store No. A in the Lake Vista Community Center was considered at the July 12th 2012 meeting of the Finance Committee of the Management Authority which recommended approval of said lease;

BE IT HEREBY RESOLVED that the Management Authority approves a lease of Store No. A in the Lake Vista Community Center with Metro Studio, L.L.C., under the terms and conditions specified above and the standard terms and conditions for leases in the Lake Vista Community Center by the Management Authority.

BE IT FURTHER RESOLVED that the Authority Chairman or Executive Director is authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, ERNST, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN, DEROUEN, SCOTT

NAYS: NONE

ABSTAIN: NONE

ABSENT: HASSINGER, BAUDY, HOFFMAN, HEATON, CANTRELLE

RESOLUTION ADOPTED: YES

Motion No. 05-071912

Approval to renew Stuart Consulting Group, Inc. ID/IQ contract for Professional Engineering Services

Motion 05-071912 approves renewal of the ID/IQ contract with Stuart Consulting Group for Professional Engineering Services for the term of July 1, 2012 to June 30, 2013 for Non-FEMA repair services on an as-need basis not to exceed \$50,000. Chairman Lupo noted that Stuart Consulting Group has been invaluable to the Authority due to Stuart's knowledge of FEMA projects. The Authority's real estate constantly has matters arise that require expertise in the technical aspect of issues found underground and in these properties. This contract will allow the Authority to hire Stuart without having to go to public bid.

Motion No. 05-071912 by Commissioner Hoffman, seconded by Commissioner Trask was unanimously adopted to wit:

MOTION: 05-071912

RESOLUTION: 05-071912

BY: COMMISSIONER HOFFMAN

SECONDED BY: COMMISSIONER TRASK

July 19, 2012

RESOLUTION

WHEREAS, the Non-Flood Protection Asset Management Authority ("Management Authority") is a political subdivision of the State of Louisiana and the governing authority of the non-flood protection assets of the Orleans Levee District ("District");

WHEREAS, the Orleans Levee District Non-Flood Asset Division and Stuart Consulting Group, Inc. entered into an Agreement on the 15th day of June, 2010 to provide for Hurricane Katrina Damage Repairs for Non-Flood Protection Asset Management Authority owned projects;

WHEREAS, the need for engineering services of non-FEMA related projects has arisen;

WHEREAS, by Supplemental Agreement No. 2, the original contract was amended to include non-FEMA related engineering service under an ID/IQ contract;

WHEREAS, subsequently, the ID/IQ contract was amended by Supplemental Agreements Nos. 4, 5 and 6, and approved by Resolutions, 04-032212, 08-121511, and 11-062112 respectively;

WHEREAS, the final amended contract had a not to exceed amount \$100,000.00 and extended the contact the end of Fiscal Year 2011-2012;

WHEREAS, the total amount expended by the Management Authority was \$99,940.00;

WHEREAS, the Management Authority desires to continue the ID/IQ contract with Stuart Consulting Group, Inc.;

WHEREAS, Stuart Consulting Group, Inc. is a qualified engineering consulting firm and has the necessary expertise and licensure to perform said services;

WHEREAS, Stuart Consulting Group, Inc. has presented billable rates in conformance to DOTD allowable billable rates for design services, and

WHEREAS, the request for the continuation of Stuart Consulting Group's engineering services under the ID/IQ contract was discussed at the Finance Committee on July 7, 2012 and it was

recommended to the Management Authority to approve a new contract with Stuart Consulting Group, Inc. for the period of July 1, 2012 to June 30, 2013, and to included a not to exceed amount of \$50,000.

BE IT RESOLVED, that the Authority authorizes the Chairman or Executive Director to execute a contract with Stuart Consulting Group, Inc for the period of July 1, 2012 to June 30, 2013 for Non-FEMA repair services under an ID/IQ contract on an as needed basis with a not to exceed amount of \$50,000.

BE IT FURTHER RESOLVED that the Authority Chairman or Executive Director is authorized to sign any and all documents necessary to carry out the above.

AYES: LUPO, ERNST, STACK, BRIEN, DUFRECHOU, TRASK, SAIZAN, DEROUEN, SCOTT

NAYS: NONE

ABSTAIN: NONE

ABSENT: HASSINGER, BAUDY, HOFFMAN, HEATON, CANTRELLE

RESOLUTION ADOPTED: YES

NEXT BOARD MEETING

The next full Board meeting of the Non-Flood Protection Asset Management Authority is scheduled for Thursday, August 23, 2012 at 5:30 p.m.

ADJOURNMENT

Commissioner Ernst offered a motion to adjourn, seconded by Commissioner Trask and unanimously adopted.

The meeting adjourned at 6:01 p.m.