

**COOPERATION AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND THE SOUTH LAFOURCHE LEVEE DISTRICT
FOR REHABILITATION OF A FEDERAL HURRICANE/SHORE
PROTECTION PROJECT**

THIS COOPERATION AGREEMENT (hereinafter referred to as the “Agreement”) is entered into by and between the Department of the Army (hereinafter referred to as the “Government”) represented by the District Commander, New Orleans District, U. S. Army Corps of Engineers (or his designee), and the South Lafourche Levee District (hereinafter referred to as the “non-Federal Sponsor”), represented by the General Manager of the South Lafourche Levee District.

WITNESSETH THAT:

WHEREAS, the Government constructed a Hurricane/Shore Protection Project for the Larose to Golden Meadow, Louisiana, Project, (hereinafter referred to as the “HSPP”), authorized by the Flood Control Act of 1965, Public Law 298 of the 89th Congress, as amended, and governed by the agreement dated November 13, 1972 and entitled “Agreement between the United States of America and the South Louisiana Tidal Water Control Levee District for the “Grand Isle and Vicinity, Louisiana (Larose to Golden Meadow, Louisiana – Hurricane Protection)” which remains in full effect;

WHEREAS, pursuant to 33 U.S.C. §701n and Public Law 148, 109th Congress, the Government is authorized to assist in the repair and restoration of any federally authorized hurricane or shore protective structure damaged or destroyed by wind, wave, or water action of other than an ordinary nature;

WHEREAS, via written correspondence, the non-Federal Sponsor has requested the Government to repair or restore the HSPP which was damaged by wind, wave, or water action of an other than an ordinary nature, in accordance with 33 U.S.C. §701n, and established policies of the U.S. Army Corps of Engineers;

WHEREAS, the Rehabilitation Effort includes repairs to damaged portions of the D-South levee berm, the mitigation levee, and control structures, all as generally described in the Project Information Report for Larose to Golden Meadow prepared by the District Commander, U. S. Army Engineer District, New Orleans, dated March 31, 2006 and approved by the Division Engineer on May 19, 2006;

WHEREAS, the non-Federal Sponsor hereby represents that it has the authority and legal capability to furnish the non-Federal cooperation hereinafter set forth and is

willing to participate in the HSPP Rehabilitation Effort in accordance with the terms of this Agreement.

NOW THEREFORE, the Government and the non-Federal Sponsor agree as follows:

ARTICLE I – DEFINITIONS AND GENERAL PROVISIONS

For purposes of this Agreement:

A. The term “Rehabilitation Effort” shall mean the repair and rehabilitation of the D-South levee berm, the mitigation levee, and control structures, all in accordance with project authority and as generally described in Project Information Report (PIR), Larose to Golden Meadow Hurricane Protection Project, Louisiana, prepared by the District Commander, U. S. Army Engineer District, New Orleans, dated March 31, 2006 and approved by the Division Engineer on May 19, 2006. It is understood and agreed that the PIR is subject to change by the Government in consultation with the non-Federal Sponsor.

B. The term “Rehabilitation Effort costs” shall mean all costs incurred by the Government directly related to construction of the Rehabilitation Effort. Such term shall include, but is not necessarily limited to: actual construction costs, including supervision and inspection costs; costs of contract dispute settlements or awards; the costs of lands, easements, rights of way, borrow, and relocations that are not owned, claimed or controlled by the non-Federal Sponsor or State of Louisiana; and the cost of investigations to identify the existence of the hazardous substances as identified in Article XII.A. The term shall not include any costs for operation and maintenance; any costs that correct deferred or deficient maintenance; any increased costs for betterments or non-Federal Sponsor-preferred alternatives; periodic nourishment under the project authorization; or the costs of lands, easements, rights-of-way, borrow, or relocations that are owned, claimed, or controlled by the non-Federal Sponsor or State of Louisiana.

C. The term “betterment” shall mean the design and construction of a Rehabilitation Effort feature accomplished on behalf of, or at the request of, the non-Federal Sponsor, in accordance with standards that exceed the standards that the Government would otherwise apply for accomplishing the Rehabilitation Effort.

ARTICLE II – OBLIGATIONS OF THE GOVERNMENT AND NON-FEDERAL SPONSOR

A. The Government, subject to receiving funds appropriated by the Congress of the United States, shall expeditiously construct the Rehabilitation Effort, applying those procedures usually followed or applied in Federal projects, pursuant to Federal laws, regulations, and policies. To the extent possible, the non-Federal Sponsor shall be afforded the opportunity to review and comment on all such solicitations for all contracts,

including relevant plans and specifications, prior to the issuance of such solicitations. The District Commander will, in good faith, consider the comments of the non-Federal Sponsor, but award of contracts, modifications or change orders, and performance of all work on the Rehabilitation Effort (whether the work is performed under contract or by Government personnel), shall be exclusively within the control of the District Commander.

B. As further specified in Article III, the non-Federal Sponsor shall provide right of entry to all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, determined by the Government to be necessary for construction, operation, and maintenance of the Rehabilitation Effort and the HSPP.

1. As further specified in Article III, after receiving the rights of entry to the lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas (hereinafter "LERD") from the non-Federal Sponsor, the Government, subject to the availability of appropriations, shall identify and pay just compensation to the owners of compensable interests in the LERD described in Article III.A.3. Additionally, the Government, subject to the availability of appropriations, shall acquire interests in those LERD described in Article III.A.2. to which the non-Federal Sponsor was unable to obtain right of entry despite its best efforts.

2. As further specified in Article III, the Government shall perform such relocations as it determines to be necessary for the Rehabilitation Effort.

C. The non-Federal Sponsor shall not use Federal funds to meet their share of Rehabilitation Effort costs under this Agreement unless the expenditure of such funds is expressly authorized by statute as verified in writing by the Federal granting agency.

D. The non-Federal Sponsor shall hold and save the Government free from all damages arising from the construction, operation, and maintenance of the Rehabilitation Effort, the HSPP, and any related betterments, except for damages due to the fault or negligence of the Government or the Government's contractors. The rights set forth in this Article II.D. and the benefits that derive therefrom, shall inure only to the United States of America, and may not be asserted by, or provide a benefit to, any other person or entity, whether or not a party to this Agreement.

E. The non-Federal Sponsor agrees to continue to participate in and comply with the policies and procedures of the U.S. Army Corps of Engineers Rehabilitation and Inspection Program and the agreement dated November 13, 1972, cited above.

F. The non-Federal Sponsor may request the Government to accomplish betterments. The non-Federal Sponsor requesting said betterment shall be solely responsible for any increase in costs resulting from the betterments and all such increased costs will be paid in advance by the requesting non-Federal Sponsor in accordance with Article IV.

G. The non-Federal Sponsor shall prevent future encroachments on lands, easements, and rights-of-way provided by and/or acquired on behalf of the non-Federal Sponsor for the Rehabilitation Effort which may interfere with the proper functioning of the Rehabilitation Effort and the HSPP, as determined by the Government, including but not limited to the obligation to keep the lands, easements, and rights-of-way free of trees, roots and deleterious plant material. Said real estate interests shall be retained in public ownership for uses compatible with the authorized purposes of the Rehabilitation Effort and the HSPP.

ARTICLE III – LANDS, RELOCATIONS, AND PUBLIC LAW 91-646

A. The Government shall provide the non-Federal Sponsor with a description of the anticipated real estate requirements and relocations for the Rehabilitation Effort. Thereafter, the non-Federal Sponsor shall, at no cost to the Government, provide right of entry to all lands, easements, and rights-of-way, including suitable borrow and dredged or excavated material disposal areas, (hereinafter “LERD”) as may be determined by the Government in that description, or in any subsequent description, to be necessary for the construction, operation, and maintenance of the HSPP and the Rehabilitation Effort, in the manner hereinafter discussed.

1. The non-Federal Sponsor shall provide right of entry to all LERD that it owns, claims, or controls (hereinafter “non-Federal Sponsor LERD”) in a manner that is free and clear of any liens, defects of titles, or encumbrances, including the release or subordination to the Rehabilitation Effort of any third party interests, as determined by the Government to be necessary for the construction, operation and maintenance of the Rehabilitation Effort;

2. The non-Federal Sponsor shall use its best efforts to provide right of entry to LERD that any other non-Federal governmental entity owns, claims, or controls (hereinafter “Other non-Federal Governmental LERD”) in a manner that is free and clear of any liens, defects of titles, or encumbrances, including the release or subordination to the Rehabilitation Effort of any third party interests within such Other non-Federal Governmental LERD, as determined by the Government to be necessary for the construction, operation and maintenance of the Rehabilitation Effort; and

3. The non-Federal Sponsor shall provide right of entry to all other LERD not owned, claimed, or controlled by the non-Federal Sponsor or other non-Federal governmental entities (hereinafter “Private LERD”) as follows:

a. The non-Federal Sponsor shall secure, or cause to be secured, an executive commandeering order or orders from the Governor of the State of Louisiana, which said order or orders shall commandeer Private LERD, in accordance with powers set forth in La. R.S. 29:721, et seq, including all privately owned third party interests, as may be determined by the Government to be necessary for the construction, operation, and maintenance of the HSPP and the Rehabilitation Effort.

b. The non-Federal Sponsor shall tender to the Government a right of entry to the Private LERD.

4. The necessary lands, easements, and rights-of-way may be provided incrementally for each construction contract. All lands, easements, and rights-of-way determined by the Government to be necessary for work to be performed under a construction contract must be furnished prior to the advertisement of that construction contract.

B. The Government shall perform such relocations as it determines to be necessary for the construction, operation and maintenance of the Rehabilitation Effort. In addition, the Government shall identify and provide just compensation to the owners of compensable interests in the Private LERD and shall acquire the requisite interests in the Other non-Federal Governmental LERD to which the non-Federal Sponsor, despite its best efforts, was unable to obtain free and unencumbered right of entry, all in accordance with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 CFR Part 24, in acquiring lands, easements, and rights of way, required for construction, operation, and maintenance of the Project and the Rehabilitation Effort, including those necessary for relocations, borrow materials, and dredged or excavated material disposal, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

1. The Government shall obtain a deed or servitude agreement, as appropriate, in the name of the non-Federal Sponsor for those interests described in the Commandeering Order referenced in Paragraph A.3.a. of this Article. In like manner, the Government shall obtain a deed or servitude agreement, as appropriate, in the name of the non-Federal Sponsor, for those interests in the Other non-Federal Governmental LERD to which the non-Federal Sponsor, despite its best efforts, was unable to obtain a free and unencumbered right of entry.

2. Where the Government is unable to obtain free and unencumbered title on behalf of the non-Federal Sponsor or to reach an agreement with the interest owners in the Private or Other non-Federal Governmental LERD, the Government shall obtain such interests, in the name of the United States of America, through the exercise of eminent domain authority.

3. After the Rehabilitation Effort is complete and the acquisition and eminent domain proceedings finalized, the Government shall transfer and assign to the non-Federal Sponsor, through quitclaim deed, all of the Private and Other non-Federal Governmental LERD acquired in the name of the United States of America, which said transfer, quitclaim, and assignment the non-Federal Sponsor hereby agrees to accept when tendered by the United States.

ARTICLE IV – METHOD OF PAYMENT

A. The non-Federal Sponsor shall provide, during the period of construction, cash payments, in-kind services, or a combination thereof, required to meet the non-Federal Sponsor's obligations under Article II. Rehabilitation Effort costs are currently estimated to be \$1,487,000.00. In order to meet the non-Federal Sponsor's cash payment requirements, the non-Federal Sponsor must provide a cash contribution estimated to be \$0.0 (zero dollars). The dollar amounts set forth in this paragraph are based upon the Government's best estimates that reflect projections of costs, price level changes, and anticipated inflation. Such cost estimates are subject to adjustments based upon costs actually incurred and are not construed as the total financial responsibilities of the Government and the non-Federal Sponsor.

B. The required cash contribution shall be provided as follows: At least ten calendar days prior to the award of the first construction contract, the Government shall notify the non-Federal Sponsor of the non-Federal Sponsor's estimated cash contribution required to meet the non-Federal Sponsor's obligation under Article II.E. Within five calendar days thereafter, the non-Federal Sponsor shall provide the Government the full amount of the required contribution by delivering a check payable to "FAO, USAED, B2, New Orleans" to the District Commander of the U. S. Army Engineer District, New Orleans. The Government shall draw on the funds provided by the non-Federal Sponsor such sums as the Government deems necessary to cover contractual and in-house fiscal obligations attributable to the non-Federal Sponsor's obligations under Article II.E. as they are incurred by the Government. In the event that total costs of the non-Federal Sponsor's obligations under Article II.E. are expected to exceed the estimate given at the outset of construction, the Government shall immediately notify the non-Federal Sponsor of the additional contribution the non-Federal Sponsor will be required to make to meet the additional required contribution. Within ten calendar days thereafter, the non-Federal Sponsor shall provide the Government the full amount of the additional required contribution.

C. During the period of construction, the Government will provide periodic financial reports on the status of the total Rehabilitation Effort costs and status of contributions made by the non-Federal Sponsor. Upon completion of the Rehabilitation Effort and resolution of all relevant contract claims and appeals, the Government shall compute the total Rehabilitation Effort costs and tender to the non-Federal Sponsor a final accounting of the non-Federal Sponsor's obligations under Article II.E.

1. In the event the total contribution by the non-Federal Sponsor is less than the non-Federal Sponsor's obligations under Article II.E., the non-Federal Sponsor shall, no later than 90 calendar days after receipt of written notice, make a cash payment to the Government of whatever sum is required to meet the non-Federal Sponsor's obligations under Article II.E.

2. In the event total contribution by the non-Federal Sponsor is more than the non-Federal Sponsor's required obligation under Article II.E., the Government shall, no later than 90 calendar days after the final accounting is complete, subject to the availability of funds, return the excess to the non-Federal Sponsor. In the event the existing funds are not available to repay the non-Federal Sponsor for excess contributions provided, the Government shall seek such appropriations as are necessary to repay the non-Federal Sponsor for excess contributions provided.

ARTICLE V – CREDITING OF IN-KIND SERVICES

The non-Federal Sponsor shall not be entitled to receive a credit or reimbursement for any costs incurred by the non-Federal Sponsor.

ARTICLE VI – OPERATION AND MAINTENANCE

A. The non-Federal Sponsor maintains responsibility for operating and maintaining that portion of the subject HSPP at all times. After the District Commander has determined that construction of the Rehabilitation Effort is complete and provided the non-Federal Sponsor with written notice of such determination, the non-Federal Sponsor shall operate and maintain the HSPP, to include those areas restored by the Rehabilitation Effort, at no cost to the Government, in accordance with specific directions prescribed by the Government in Engineer Regulation 500-1-1 and any subsequent amendments thereto and other applicable authorities.

B. The non-Federal Sponsor hereby gives the Government a right to enter, at reasonable times and in a reasonable manner, upon land that the non-Federal Sponsor owns or controls for access to the HSPP for the purposes of inspection, and, if necessary, for the purpose of completing, operating, and maintaining the HSPP. If an inspection shows the non-Federal Sponsor for any reason is failing to fulfill the non-Federal Sponsor's obligations under this Agreement without receiving prior written approval from the Government, the Government will send a written notice to the non-Federal Sponsor. If, after 30 calendar days from receipt of such notice, the non-Federal Sponsor continues to fail to perform, then the Government shall have the right to enter, at reasonable times and in a reasonable manner, upon lands the non-Federal Sponsor owns or controls for access to the Project for the purposes of completing, operating, and maintaining the project, or to deny further assistance under Public Law 84-99. No action by the Government shall operate to relieve the non-Federal Sponsor of responsibility to meet the non-Federal Sponsor's obligations as set forth in this Agreement, or to preclude the Government from pursuing any other remedy at law or equity to assure faithful performance pursuant to this Agreement.

ARTICLE VII – FEDERAL AND STATE LAWS

In the exercise of the rights and obligations of the non-Federal Sponsor hereunder, the non-Federal Sponsor agrees to comply with all applicable Federal and state laws and regulations.

ARTICLE VIII – RELATIONSHIP OF PARTIES

The Government and the non-Federal Sponsor act in an independent capacity in the performance of their respective functions under this Agreement, and neither party is to be considered the officer, agent, nor employee of the other.

ARTICLE IX – OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, or resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE X – COVENANT AGAINST CONTINGENT FEES

The non-Federal Sponsor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the non-Federal Sponsor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability, or, in the Government's discretion, to add to the Agreement or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XI – TERMINATION OR SUSPENSION

If at any time the non-Federal Sponsor fails to carry out its obligations under this Agreement, the District Commander shall terminate or suspend work on the Rehabilitation Effort, unless the District Commander determines that continuation of work on the Rehabilitation Effort is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with this Rehabilitation Effort and the HSPP. However, deferral of future performance under this Agreement shall not affect existing obligations or relieve the parties of liability for any obligation previously incurred. In the event that any party elects to terminate this Agreement pursuant to this Article, the parties shall conclude their activities relating to the Rehabilitation Effort and proceed to a final accounting in accordance with Article IV. In the event that any party elects to defer future performance under this Agreement

pursuant to this Article, such deferral shall remain in effect until such time as either the Government or the non-Federal Sponsor elects to proceed with further construction or terminate this Agreement.

ARTICLE XII – HAZARDOUS SUBSTANCES

A. After execution of this Agreement, the Government shall perform, or cause to be performed, such investigations for hazardous substances as are determined necessary by the Government to identify the existence and extent of hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 42 U.S.C. 9601-9675, on lands necessary to Rehabilitation Effort construction, operation, and maintenance.

B. In the event it is discovered through an investigation for hazardous substances or other means that any lands, easements, rights-of-way, or disposal areas to be acquired or provided for the HSPP or the Rehabilitation Effort contain any hazardous substances regulated under CERCLA, the non-Federal Sponsor and the Government shall provide prompt notice to each other and shall not proceed with the commandeering and/or acquisition of lands, easements, rights-of-way, or disposal areas until mutually agreed.

C. The Government and the non-Federal Sponsor shall determine whether to initiate construction of the Rehabilitation Effort, or, if already in construction, to continue with construction of the Rehabilitation Effort, or to terminate construction of the Rehabilitation Effort for the convenience of the Government in any case where hazardous substances regulated under CERCLA are found to exist on any lands necessary for the Rehabilitation Effort. Should the Government and the non-Federal Sponsor determine to proceed or continue with the construction after considering liability that may arise under CERCLA, the non-Federal Sponsor shall be responsible, as between the Government and the non-Federal Sponsor, for any and all necessary clean up and response costs, to include the costs of any studies and investigations necessary to determine an appropriate response to the contamination located in, on, or under the non-Federal Sponsor's LERD, the Other non-Federal Governmental LERD, and the Private LERD. Such costs shall not be considered a part of the total Rehabilitation Effort costs as defined in this Agreement. In the event the non-Federal Sponsor fails to provide any funds necessary to pay for clean up and response costs or to otherwise discharge the responsibilities of the non-Federal Sponsor under this paragraph upon direction by the Government, the Government may either terminate or suspend work on the Rehabilitation Effort or proceed with further work as provided in Article XI of this Agreement.

D. The non-Federal Sponsor and the Government shall consult with each other to assure that responsible parties bear any necessary clean up and response costs as defined in CERCLA. Any decision made pursuant to paragraph C. of this Article shall not relieve any party from any liability that may arise under CERCLA.

E. As between the Government and the non-Federal Sponsor, the non-Federal Sponsor shall be considered the operator of the HSPP (which the Rehabilitation Effort is repairing and restoring) for purposes of CERCLA liability. To the maximum extent practicable, the non-Federal Sponsor shall operate and maintain the HSPP in a manner that will not cause liability under CERCLA.

ARTICLE XIII – NOTICES

A. All notices, requests, demands, and other communications required or permitted to be given under this agreement shall be deemed to have been duly given if in writing and delivered personally, given by prepaid telegram, or mailed by first-class (postage prepaid), registered, or certified mail, as follows:

If to the South Lafourche Levee District:

General Manager
South Lafourche Levee District
17904 Hwy 3235
Galliano, Louisiana 70354-3646

If to the Government:

District Commander
U. S. Army Corps of Engineers
P. O. Box 60267
New Orleans, Louisiana 70160-0267

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

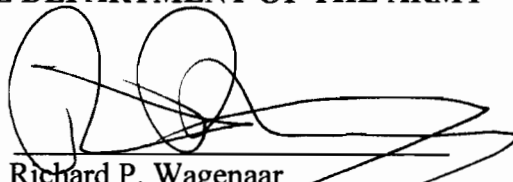
C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at such time as it is either personally delivered, or, seven calendar days after it is mailed, as the case may be.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which may be executed in counterparts and having full force and effect as a whole, and which shall become effective upon the date it is signed by the District Commander.

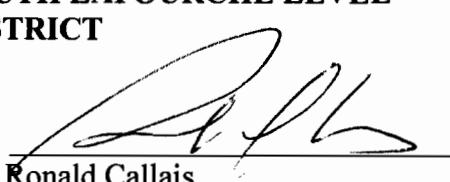
THE DEPARTMENT OF THE ARMY

SOUTH LAFOURCHE LEVEE DISTRICT

BY:


Richard P. Wagenaar
Colonel, Corps of Engineers
District Commander

BY:


Ronald Callais
President
South Lafourche Levee District

Date: July 19, 2006

Date: July 10, 2006

CERTIFICATION REGARDING LOBBYING

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

(1) No Federal appropriated 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 Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon 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 imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Ronald Callais
President
South Lafourche Levee District

DATE: July 10, 2006

CERTIFICATE OF AUTHORITY

I, Ray A. Collins, do hereby certify that I am an attorney for the South Lafourche Levee District, that the South Lafourche Levee District is a legally constituted public body with full authority and legal capability to perform the terms of the Cooperation Agreement between the United States of America and the South Lafourche Levee District, in connection with the Larose to Golden Meadow Hurricane Protection Project Rehabilitation Effort, and to my best information and belief able to pay damages in accordance with the terms of this Agreement, if necessary, in the event of the failure to perform, as required by Section 221 of Public Law 91-611 (42 U.S.C. Section 1962d-5b), and that the person who has executed this Agreement, on behalf of the South Lafourche Levee District has acted within his or her authority.

IN WITNESS WHEREOF, I have made and executed this certification this 10th day of July 2006.



Ray A. Collins
Attorney for
South Lafourche Levee District