

LEVERT



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President's message

2017-2018 year produces 'noteworthy occurrences'

During the presentation of my report at the June meetings, the 2017-2018 operating year experienced several noteworthy occurrences. In addition to Levert-St. John Farms having a record sugarcane crop yield and setting an all-time high earnings mark, 2017-2018 certainly will be remembered for implementation of the governance structure changes of Land and St. John Companies (see related story on page 1); private placement memorandum associated with release or sale of treasury units to Land Company members; and reduction of the U.S. corporate tax rate enacted in 2017. The effects of all these factors were addressed in my annual report to members June 9, 2018, a copy of which you should have already received.

As communicated during my report, your Companies experienced a fantastic operating year and the past year's performance will be very hard to duplicate. Again, I'd like to thank my entire team of employees for their hard work and contributions to the past year's achievements. In addition, I'd like to challenge them for more of the same during this operating year as the past and future successes of your Companies are directly correlated to the performance of the employees.

Turnout for the annual meetings in Point Clear was very good and it was great to see those able to participate. It appears that most in attendance enjoyed the unique accommodations of the Grand Hotel and spending time with family members. Arrangements for next year's annual meetings are already in place for June 7-8, 2019 at Beau Rivage Resort and Casino in Biloxi, MS. A golf tournament and other activities are being planned for Friday, June 7, so please mark your calendars accordingly. As always, please feel free to reach out to me at any time should you have any questions regarding Company matters.

*Andy Andolsek,
President*

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More annual meeting photos on page 3

Healthy family presence . . .

New structure, agreements now in place

The Levert Companies are now **on the clock**, to paraphrase tv analysts announcing the time allotted professional football teams to make their player selections on National Football League draft day . . .

Specially, J.B. Levert Land Co. LLC and Levert-St. John LLC shareholders enacted the revised corporate governance structure and operating agreements of both companies at the annual stockholders meetings June 9, 2018 at Grand Hotel Marriott in Point Clear, AL. The revisions, approved at last year's meetings in Lafayette, LA, were implemented upon election of new Land and St. John directors and election of members of the newly formed Family Council. The new council members, who represent five of the eight Levert family branches, will perform various duties at the behest of the boards of directors.

Other changes put into effect were creation of Levert Management Co. LLC (LMC) to manage daily operations of both companies; four directors each from Land and St. John, or eight total and the president, comprise the new

LMC board. And 10 shareholders, four each elected by Land and St. John members and two members appointed by the president, serve on the inaugural council.

But perhaps the most consequential change was to reduce the number of directors serving each company from nine including the president to five including the president. Instead of 16 directors conducting company business — waving arms about to be recognized by the chairman — eight directors will be doing the Companies' bidding, which should result in more efficient, productive, less cumbersome, even shorter board meetings.

According to Levert President Andy Andolsek, the new board composition and existence of the family council ought to provide for a smaller, more involved board and help to expand participation overall in company affairs.

(Governance continued on page 4)

Real estate happenings

Worrisome effects of internet sales vs. retail soft goods . . .

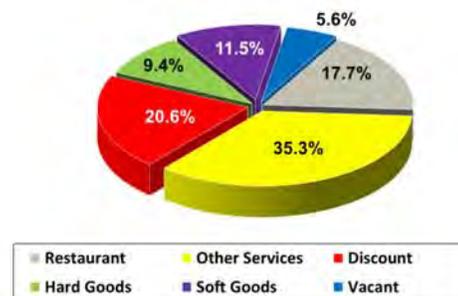
In my annual meeting report I presented statistics on the performance and makeup of the Real Estate Rental Department, noting the Companies together own 64 buildings comprised of more than 1.2 million square feet of rental area. Pam Tapie, vice president, real estate operations, said the properties are located across south Louisiana and in neighboring states providing for “some degree of diversification and risk management.”

By now shareholders are aware of the effects on retail soft goods attributed to the advancing internet sales. Pam touched on this situation during her report by referencing the effect of the Sears catalog, erection of the interstate highway system, and resulting develop-

ment of malls, in addition to the effects caused by evolution of “big box” retailers such as Walmart — all affecting changes in the character of retail compared to the past. (See graph of Companies’ retail tenant mix.)

As the graph shows, only 11.5 percent of the tenants currently are made up of soft goods or clothing store-type businesses. “The vast majority of our tenant mix consists of dollar stores, restaurants, appliance and hardware stores, and other services such as nail salons, fitness centers, cell phone stores, and insurance and consumer loan business,” Pam said. “These businesses are somewhat sheltered from the effects of internet sales.”

LEVERT COMPANIES
Retail Tenant Make-Up



Down on the farm

Very dry weather conditions allow for timely field work performance — Charlie

Very dry weather conditions in late April and May allowed for timely application of fertilizer and completion of the final growing crop or “lay-by” cultivation to occur. In addition, according to Charlie Levert, vice president, agricultural operations, the open land or “fallow ground” preparation work being performed is ahead of schedule and should, at a minimum, provide a solid foundation for the upcoming sugarcane planting should dry weather conditions continue.

Board approval to purchase a used JD sprayer has “greatly assisted us” in timely ap-

plication of herbicides, Charlie added.

Because of current low commodity prices and an effort to enhance seed bed preparation and weed control measures involving the 2018 cane planting, Charlie said a decision was made not to plant soybeans this year.

“But we currently have 3,495 acres of cane fertilized and expect to plant 1,200 acres of cane this fall,” said Charlie. “We’re hopeful that favorable growing conditions experienced so far prevail and that we’re again blessed with no hurricane as both are needed to achieve a successful 2018 crop season.”

Family branch briefs

- Stacey Foster McArthur and Scott Geoffrey Walters were married June 30, 2018 in Vancleave, MS. Stacey, daughter of Amelie and Rex Foster, and Scott, son of Lucia Lynn Walters of Bellville, IL and Richard Walters of Gautier, MS, honeymooned in Punta Cana, Dominican Republic, and now reside in Ocean Springs, MS. Stacey is an Ella Marie member.
- Britney and Chris Penten of Dallas-Forth Worth became parents when their first child and daughter, Amelie Carolyn, was born on June 26, 2017. Amelie Carolyn is the granddaughter of Jennifer Foster Pope of Gautier, MS and great-granddaughter of her namesake Amelie Harkey Foster of Vancleave, MS. Both Amelies, Jennifer, and Britney are Ella Marie branch members.

Ashton Plantation lots selling again after 10-year delay, future is bright

Previously, we’ve written about the Land Company’s experiences with the first two St. Charles Parish developments, Davis Plantation and Ridgeland Properties. Today we focus on the companies latest project, Ashton Plantation.

Ashton is a 1,628-acre tract located on the west bank of the Mississippi River at the foot of the Hale Boggs Bridge. It was acquired in 1998 in a joint venture with the Rathborne Company, similar to the formation of Ridgeland Properties. Whereas Levert assumed the leadership role in Ridgeland, it was anticipated that Rathborne would take that role in Ashton. Politics intervened. It happened that our partner was at odds with the newly-elected Parish administration. It became painfully obvious that cooperation was not going to happen unless Levert became the public face of the proposed development. That happened and things began to move.

After the political hurdle was crossed the next impediment was the site’s lack of adequate access. The cure was to build a grade crossing over existing railroad tracks to provide a connection with the existing River Road Highway. This proved to be a major obstacle as both the railroad and the state highway department op-

posed it for safety reasons. After months of meetings, often heated, with railroad officials, parish administrators, and state officials, a solution was effected, whereby, a new public crossing permit was granted to Ashton in exchange for the degrading of an existing public crossing in a separate location chosen by the parish president and council. Thank you, St. Charles Parish.

With that accomplished construction was “fast tracked” in an effort to take advantage of the hot real estate markets that existed throughout the county. Major expenses were incurred for infrastructure (access roads, sewerage, drainage, lighting, etc.) to service not only Phase I, but for the entire plantation. Timing for the construction of Phases 1A and 1B couldn’t have been better. All 210 lots in these two phases were presold on the first day of their release for sale. Construction went well, construction loans were repaid, and attractive homes began to sprout up.

Phase 1C, consisting of 92 lots, was promptly authorized and constructed, but its formal opening ran headlong into the real estate collapse of 2008. Buyers disappeared, few lots were sold, and Ashton was left with an invento-

ry of unsold sites and fortunately over time the balance of the loans associated with the development were repaid.

Finally, at the time of this writing, normalcy is beginning to return to real estate markets. After a nearly 10-year delay, lots in Ashton are beginning to sell again. Profitability has been projected, plans have been approved, and construction has begun on a new phase of Ashton Plantation.

Fortunately for the Land Company, while Ashton was in the deep freeze, the Company’s development operations in Thibodaux continued to operate at a profitable pace providing a welcomed supplement to the Company’s more reliable real estate rentals.

Despite the recent prolonged building slowdown in St. Charles Parish, the Company’s overall experience there has been very favorable. With a substantial inventory of prime developable acreage and with suburban real estate beginning to move again, Ashton Plantation’s future looks bright.

Robert Becker,
Director emeritus

‘Couldn’t hit my putts’ — Becker Clint Clement captures Levert golf tourney for second time

Leave it to Rykert Toledano, luncheon emcee and Levert resident comedian, to stir the pot, to ridicule the low turnout of golfers (eight) compared to the fishermen who usually number in the 20s- plus for their annual tournament. Rykert probably was just venting his frustrations because there was no scheduled angling competition in 2018, or 2017 for that matter, and many family members know that Rykert, Robert Louis branch member, is a legitimate, genuine deep sea rod and reel man — and a good one at that.

Anyway, Toledano began his spiel by citing the worst golf score recorded on the Dogwood Golf Course in Point Clear, AL. That belonged to Troy Bellanger, vice president of Thibodaux operations, who staggered home with a 115 score and was one of the eight golfers to even keep score. He was awarded a bag of yellow practice balls.

Ira Harkey III, Ella Marie branch member, and Troy usually share a golf cart to motor around the course; have for several years. Troy doubles as Ira’s photographer snapping pictures of the golfers for the newsletter, while Ira listens for any golfer anecdotes, tends the pins, and offers suggestions on which clubs the players should use even though Ira hasn’t donned a golf hat or glove in years. Besides, he was a no-show for the tournament.

Rykert then called out the second worst score and that belonged to none other than Robert Becker, Levert director emeritus, who carded a 102. Not his usual game. For Bob routinely shoots in the high 80s to low 90s. The only “senior” to play on the humid day, Bob commented, “Couldn’t hit my putts . . .”

One of the few members to keep score, however, was Clint Clement of Thibodaux, former Nicholls State footballer and Lawrence family branch member. He carded an 80 for low score to win for the second time in three years — he won at Sandestin in 2016. Clint’s older brother Chase, 6’6” former LSU and New York Giant tight end, played with Clint, Rykert referring to Chase as an “also ran” presumably because Chase didn’t keep score but only caddied and offered his brother club and shot placement advice. Clint claimed the plaque as 2018 champion and received new golf balls.



Clint ready to tee off



Not Bob’s usual game

Meantime, Adam Couch of New Orleans and Anna Beatrice branch, a 15-16 handicapper, shot a 97 for the second lowest score behind Clint’s 80. He collected some new golf balls, too.

Shelby Friedrichs III and his son, Shelby IV, teamed for the round; however, no one knows for certain whether they kept score. But Shelby IV and Eric Levert, son of Levert vice president of agricultural operations Charlie Levert, were the youngest to play. Don’t know what Eric scored, either.

Levert board meeting dates set for 2018-2019

As part of the governance structure and operating agreement changes implemented as of June 2018, the following board meeting dates were set as follows:

- Aug. 28, 2018
- Oct. 9, 2018
- Dec. 11, 2018
- Jan. 8, 2019
- March 12, 2019
- May 14, 2019
- June 8, 2019 (Saturday)



Photos taken by: Andy Andolsek, Troy Bellanger, and LaKeia Harris



Modern kitchen with new stove and two outside glass doors to let in more light

Family now has 'State of the art' kitchen!

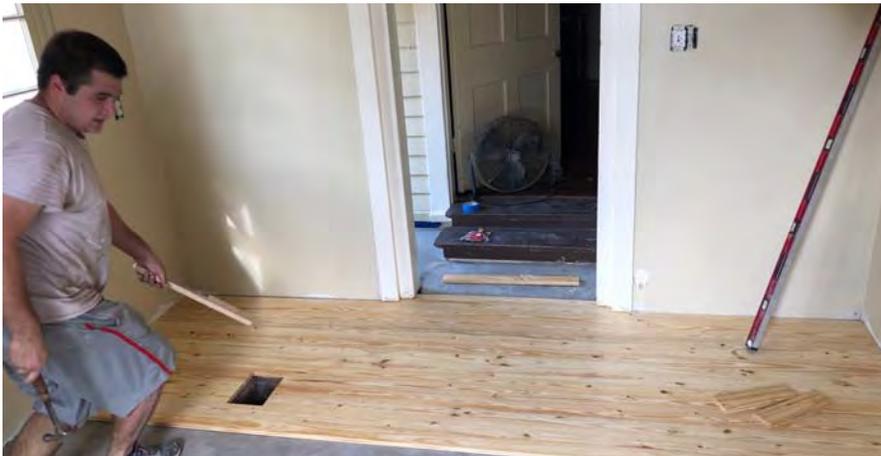
Every appliance in St. John House's kitchen has been replaced, all but the refrigerator, for it still cools properly and matches the new stainless steel appliances which have been added. "Things really look good based on pictures I've seen," commented Frank Kearny III, St. John House committee chairman. He said all cabinets were stained to match the stain color in the adjoining butler's pantry, which was renovated several years ago.

A larger sink was installed to accommodate larger pots and pans and a smaller self-cleaning stove replaced the old one with a "cleaner looking" evacuation hood over it. Thanks to Adair Friedrichs Fox, house committee member, and her fiancé John Pratt, a professional chef, for handling replacement of virtually all the pots, pans, and other cooking utensils. Long leaf pine wood floors in the new kitchen were installed/painted like those in the pantry. Creative Contracting LLC, Lafayette, was responsible for flooring, doors, and painting, while Cabinets Unlimited, St. Martinsville, did the cabinetry work. Work on the kitchen began in early March and was completed by the end of March.

(All photographs by Charlie Levert)



Partition between kitchen and pantry hides water heater



Worker from Creative Contracting installs long leaf pine kitchen floor

(Governance continued from page 1)

And as Andy stated in a previous newsletter: ". . . All the while affording a more modern, suitable corporate structure that should prove beneficial as the shareholders' base continues to grow."

So, time probably has come for the new directors to sweep away any cobwebs, or confusion, they may have regarding the way the Companies were operated and/or did business during the first 100 years in operation, and to allow the revisions/changes to move front and center — a kind of renaissance of sorts. The new directors may also need extra time to become more familiar with the Companies' ever-expanding, more complex, and diverse businesses, especially in the commercial real estate area.

But it's critical that the new directors remain **on the clock**, as it were, as long as needed to ensure that Land and St. John continue evolving, growing, and achieving at the highest possible level; that they keep the Companies on the same business path using the same well-trodden recipe for success as in the past; that company business will continue to be led by the best-qualified directors and family members well into the future.

Consideration to revise the existing governance structure and operating agreements of Land and St. John began, however subtly, when management and the powers that be held many discussions over a period of several years about such a need. The objective? To help the Companies grow even stronger financially during the next 100 years and at the same time maintain a strong family presence and involvement concerning all company matters, particularly among younger family members.

The nominating and elections committee met in April to review the qualifications (education, business experiences, etc.) of family members who had submitted resumes and who had indicated their interest to serve as a board director or family council member. The committee recommended the following slates of directors and council members for election by the Levert shareholders:

- **J. B. Levert Land Co. LLC directors:** Louis M. Andolsek, Jr., president, P. Gibbons Burke, Jr., Frank J. Kearny III, Willem L. Lamar, and John B. Levert III

- **Family Council members:** Stephen F. Couch, Elizabeth C. Dober, Michael L. Levert, and John A. Swanson IV

- **Levert-St. John LLC directors:** Louis M. Andolsek, Jr., president, Ira B. Harkey III, Lawrence C. Levert III, Elizabeth R. Schott, and Rykert O. Toledano, Jr.

- **Family Council members:** Patrick H. Couch, Kathryn P. Farris, Madeleine L. Morris, and Edward L. Levert III

- **Family Council members appointed:** Adair F. Fox and John A. Swanson III

Ira Harkey III, Editor