

2003-0165

INTRODUCED BY: ALBERT D. LAQUE, PARISH PRESIDENT  
(BOND COUNSEL)

ORDINANCE NO. 03-5-19

An ordinance authorizing the issuance of Four Million Seven Hundred Thirty-Five Thousand Dollars (\$4,735,000) of Sales Tax Bonds, Series 2003, of the Parish of St. Charles, State of Louisiana; prescribing the form, terms and conditions of such Bonds and providing for the payment thereof; authorizing an agreement with the Paying Agent; and providing for other matters in connection therewith.

WHEREAS, the Parish of St. Charles, State of Louisiana (the "Issuer"), is now levying and collecting a special three-eighths of one percent (3/8%) sales and use tax, pursuant to an election held in the Issuer on April 30, 1983, at which election the following proposition was approved by a majority of the qualified electors voting at such election, the proceeds of which tax may be funded into bonds for the purposes contained in said proposition, viz:

**PROPOSITION NO. 1**

"Shall the Parish of St. Charles, State of Louisiana, under the provisions of Article 6, Section 29 of the Louisiana Constitution of 1974 and other constitutional and statutory authority supplemental thereto, be authorized to levy and collect a tax of three-eighths of one percent (3/8%) 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 said Parish, as presently defined in R.S. 47:301 through 47:317, with the avails or proceeds of said tax (after paying the reasonable and necessary costs of administering and collecting said tax) to be dedicated and pledged for any lawful public purpose of said Parish and further shall the avails or proceeds of said tax be subject to funding into negotiable bonds of said Parish for the purpose of constructing, acquiring and improving capital improvements for the Parish (including but not limited to sewers and sewerage disposal works, drains, drainage canals, pumps and pumping plants, dykes and levees), as established and set forth in the Parish's then current capital budget adopted after public hearings in the manner required by the St. Charles Parish Home Rule Charter, said bonds to mature over a term not exceeding twenty (20) years from date thereof, to bear interest at a rate not exceeding twelve per centum (12%) per annum and to be issued in accordance with the provisions and subject to the limitations of Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950?"

WHEREAS, pursuant to the authority of the aforesaid election of April 30, 1983, the governing authority of the Issuer adopted an ordinance on May 16, 1983, providing for the levy and collection of said 3/8% sales and use tax beginning June 1, 1983 (the "Tax"); and

WHEREAS, in accordance with the provisions of said ordinance, the Revenues of the Tax (hereinafter defined), after the reasonable and necessary expenses of the collection and administration thereof have been paid therefrom, shall be available for appropriation and expenditure by the Issuer for the purposes designated in the proposition authorizing the levy of the Tax, which includes the payment of bonds authorized to be issued in accordance with Louisiana law; and

WHEREAS, this Parish Council desires to issue \$4,735,000 of Sales Tax Bonds, Series 2003, of the Issuer (the "Bonds"), payable from and secured by an irrevocable pledge and dedication of the Revenues of the Tax, under the authority conferred by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, for any capital purpose, for providing for a reserve therefor and paying the costs of issuance; and

WHEREAS, based upon historical revenues the Issuer has received from the levy and collection of the three-eighths of one percent (3/8%) sales and use tax in the Issuer authorized at an election held therein on April 30, 1983, it is reasonably anticipated that the Revenues of the Tax will approximate \$3,500,000 annually in calendar year 2003 and in each of the future calendar years; and

WHEREAS, other than the Bonds herein authorized, the Issuer has outstanding no bonds or other obligations of any kind or nature payable from or enjoying a lien on the Revenues of the Tax herein pledged; and

WHEREAS, the maturities on the hereinafter described Bonds have been arranged so that the total amount of principal and interest falling due in any year on the Bonds will never exceed 75% of the Revenues of the Tax estimated to be received by the Issuer in the calendar year (2003) in which the Bonds are to be issued, and will provide a coverage of at least 9.37 times the highest annual debt service in any future calendar year on the Bonds being issued; and

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the Bonds, and to provide for the authorization and issuance thereof, as hereinafter provided, said Bonds having been advertised for sale by virtue of a resolution adopted by this Parish Council on April 21, 2003; and

NOW, THEREFORE, BE IT ORDAINED by the St. Charles Parish Council, acting as the governing authority of the Parish of St. Charles, State of Louisiana, that:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

**"Act"** means Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

**"Agreement"** means the agreement to be entered into between the Issuer and the Paying Agent pursuant to this Bond Ordinance.

**"Bond"** or **"Bonds"** means the Sales Tax Bonds, Series 2003, of the Issuer issued by this Bond Ordinance in the total aggregate principal amount of Four Million Seven Hundred Thirty-Five Thousand Dollars (\$4,735,000), and any bond of said issue, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued.

**"Bond Register"** means the registration books of the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as provided herein

**"Bond Ordinance"** means this Ordinance authorizing the issuance of the Bonds.

**"Bond Year"** means the one year period ending on July 1 of each year, the principal payment date for the Bonds.

**"Business Day"** means a day of the year on which banks located in the cities in which the principal corporate trust offices of the Paying Agent are located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Executive Officers"** means collectively the Parish President and Secretary of the governing authority of the Issuer.

**"Fiscal Year"** means the one-year period commencing on January 1 of each year, or such other one-year period as may be designated by the Governing Authority as the fiscal year of the Issuer.

**"Governing Authority"** means the St. Charles Parish Council, or its successor in function.

**"Government Securities"** means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable

prior to the respective maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

**"Interest Payment Date"** means January 1 and July 1 of each year, commencing January 1, 2004.

**"Investment Obligations"** means any investments or securities then permitted under Louisiana law, which law currently permits investment in the following obligations:

(a) Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States;

(b) (i) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America, which obligations include but are not limited to:

(aa) U.S. Export-Import Bank.

(bb) Farmers Home Administration.

(cc) Federal Financing Bank.

(dd) Federal Housing Administration.

(ee) General Services Administration.

(ff) Government National Mortgage Association--guaranteed mortgage-backed bonds and guaranteed pass-through obligations.

(gg) U. S. Maritime Administration--guaranteed Title XI financing.

(hh) U. S. Department of Housing and Urban Development.

(ii) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U. S. government instrumentalities, which are federally sponsored, and such obligations include but are not limited to:

(aa) Federal Home Loan Bank System.

(bb) Federal Home Loan Mortgage Corporation.

(cc) Federal National Mortgage Association.

(dd) Student Loan Marketing Association.

(ee) Resolution Funding Corporation.

(iii) Notwithstanding the foregoing list of investments, the Issuer shall not invest in obligations described in Items (i) and (ii) of this Subparagraph which are collateralized mortgage obligations that have been stripped into interest only or principal only obligations, inverse floaters or structured notes. For the purposes of this Item "structured notes" shall mean securities of U.S. government agencies,

instrumentalities, or government sponsored enterprises which have been restructured, modified and/or reissued by private entities.

(c) Direct security repurchase agreements of any federal book entry only securities enumerated in subparagraphs (a) and (b). "Direct security repurchase agreement" means an agreement under which the political subdivision buys and holds obligations of any state of the United States of America or any political subdivision thereof or any agency, instrumentality or local government unit of any such state or political subdivision which shall be rated at the time of the investment in any of the three highest long-term Rating Categories or the highest short-term Rating Category by a Rating Agency.

(d) Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, as defined by R.S. 6:703 (16) or (17), or share accounts and share certificate accounts of federally or state chartered credit unions issuing time certificates of deposit. For those funds made available for investment in time certificates of deposit, the rate of interest paid by the banks shall be established by contract between the bank and the political subdivision; however, the interest rate at the time of investment shall be a rate not less than fifty basis points below the prevailing market interest rate on direct obligations of the United States Treasury with a similar length of maturity.

(e) Mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States government or its Agencies.

(f) Funds invested in accordance with the provisions of subparagraph (d) above shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one banking institution, or in any one savings and loan association, or National Credit Union Administration, unless the uninsured portion is collateralized by the pledge of securities in the manner provided in R.S. 39:1221.

(g) Guaranteed investment contracts issued by bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program for political subdivisions which financing program is approved by the State Bond Commission and offered by a public trust having the state as its beneficiary, provided further that no such investment shall be for a term longer than eighteen months, and provided further that any such guaranteed investment contract shall contain provision providing that in the event the issuer of the guaranteed investment contract is at any time no longer rated in either of the two highest short-term rating categories of Standard & Poor's Corporation or Moody's Investors Service, the investing unit of local government may either be released from the guaranteed investment provided collateralize the guaranteed investment contract with any bonds or other obligations which as to principal and interest constitute direct general obligations of, or are unconditionally guaranteed by, the United States of America, including

obligations set forth in Subparagraphs (a) and (b) to the extent unconditionally guaranteed by the United States of America.

(h) Investment grade (A-1/P-1) commercial paper of domestic United States corporations.

(i) Investment of funds in such mutual or trust fund institutions shall be limited to twenty-five percent of the monies considered available for investment as provided by this Section. In no event shall monies be considered available for investment under the authority of this section unless and until such funds are determined by the treasurer or chief financial officer of said subdivisions, in the exercise of prudent judgment, to be in excess of the immediate cash requirements of the fund to which the monies are credited. As a criteria in making such a determination, any amount of money exceeding ten thousand dollars which is on demand deposit to the credit of a subdivision, or to the credit of any fund and which is not required to meet an obligation for at least forty-five days, or any amount of money exceeding one hundred thousand dollars which is on demand to the credit of a subdivision or to the credit of any fund and which is not required to meet an obligation for at least fifteen days shall be construed available for investment.

**"Issuer"** means the Parish of St. Charles, State of Louisiana.

**"Outstanding"** when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Bond Ordinance, except:

a. Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

b. Bonds for whose payment or redemption sufficient funds have been theretofore deposited with the Paying Agent in trust for the Owners of such Bonds as provided in Section 22 provided that, if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

c. Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Bond Ordinance; and

d. Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Bond Ordinance.

**"Owner"** or **"Owners"** when used with respect to any Bond means the Person in whose name such Bond is registered in the Bond Register.

**"Paying Agent"** means Bank One Trust Company, N.A., in the City of New Orleans, Louisiana, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Bond Ordinance, and thereafter Paying Agent shall mean such successor Paying Agent.

**"Person"** means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

**"Purchaser"** means UBS PaineWebber Inc. in the City of Dallas, Texas, the original purchaser of the Bonds.

**"Rating Agency"** means each nationally recognized securities rating agency then maintaining a rating on the Bonds or any future parity bonds at the request of the Issuer.

**"Record Date"** for the interest payable on any Interest Payment Date means the 15th calendar day of the month next preceding such interest payment date, whether or not such day is a Business Day.

**"Reserve Fund Requirement"** means, as of any date of calculation, a sum equal to the lesser of (i) 10% of the proceeds of the Bonds and any issue of additional *pari passu* bonds payable from the Revenues of the Tax or (ii) the highest combined principal and interest requirements in any succeeding Bond Year on the Bonds and any additional *pari passu* bonds payable from the Revenues of the Tax.

**"Reserve Product"** means a policy of bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in the Reserve Fund meeting the terms and conditions of Section 10(c) hereof.

**"Reserve Product Provider"** means a bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other credit facilities securing, the payment, when due, of the principal of and interest on bond issues by public entities, at the time such Reserve Product is obtained, result in such issues being rated in one of the two highest full rating categories by each of the Rating Agencies; provided, however, that nothing herein shall require the Issuer to obtain a rating on any Bonds issued under the Bond Ordinance.

**"Revenues of the Tax"** means the avails or proceeds of the three-eighths of one percent (3/8%) sales and use tax authorized at the election held within the corporate boundaries of the Issuer on April 30, 1983, which revenues are authorized to be funded into bonds under the Act and are pledged to the payment of the Bonds as herein provided.

**"Sales Tax Collector"** means the person or officer designated by the Governing Authority as the Collector of the Tax.

**"Sales Tax Ordinance"** or **"Tax Ordinance"** means and includes the ordinance adopted by the St. Charles Parish Council, on May 16, 1983, providing for the levy and collection of the Tax.

**"Tax"** means the three-eighths of one percent (3/8%) sales and use tax authorized at the election held within the corporate boundaries of the Issuer on April 30, 1983.

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, and other constitutional and statutory authority, and having been authorized at an election held within the corporate boundaries of the Issuer on April 30, 1983, there is hereby authorized the incurring of an indebtedness of Four Million Seven Hundred Thirty-Five Thousand Dollars (\$4,735,000) for, on behalf of and in the name of the Issuer, constructing, acquiring and improving capital improvements for the Parish (including but not limited to sewers and sewerage disposal works, drains, drainage canals, pumps and pumping plants, dykes and levees), for providing a reserve for such bonds and for paying the costs of issuance, and to represent the said indebtedness, this Governing Authority does hereby authorize the issuance of Four Million Seven Hundred Thirty-Five Thousand Dollars (\$4,735,000) of Sales Tax Bonds, Series 2003, of the Issuer. The Bonds shall be in fully registered form, shall be dated July 1, 2003, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall bear interest from date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on January 1 and July 1 of each year, commencing January 1, 2004, at the following rates of interest per annum, and shall become due and payable and mature serially on July 1 of each year as follows:



DATE (JULY 1)	PRINCIPAL PAYMENT	INTEREST RATE	DATE (JULY 1)	PRINCIPAL PAYMENT	INTEREST RATE
2004	\$145,000	3.50	2014	\$235,000	3.30
2005	155,000	3.50	2015	245,000	3.40
2006	160,000	3.75	2016	255,000	3.50
2007	170,000	4.00	2017	270,000	3.65
2008	175,000	4.00	2018	280,000	3.75
2009	185,000	4.00	2019	295,000	3.85
2010	195,000	4.00	2020	310,000	4.00
2011	205,000	4.00	2021	325,000	4.00
2012	215,000	3.00	2022	340,000	4.00
2013	220,000	3.15	2023	355,000	4.10

The principal of the Bonds, upon maturity or redemption, shall be payable at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds will be payable by check mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Bond Ordinance upon transfer or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Bond Ordinance, executed by the Paying Agent by manual signature.

During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal, premium, if any, and interest on the Bonds will be made by wire transfer in immediately available funds to an account designated by such

registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number will accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

SECTION 3. Redemption of Bonds. Those Bonds maturing July 1, 2014, and thereafter, will be callable for redemption by the Issuer in full at any time on or after July 1, 2013, at the redemption prices, expressed as a percentage of the principal amount of each Bond redeemed set forth below, together with accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption <u>Price</u>
July 1, 2013 to June 30, 2014	101-1/2%
July 1, 2014 to June 30, 2015	101%
July 1, 2015 to June 30, 2016	100-1/2%
July 1, 2016 and thereafter	100%

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

SECTION 4. Registration, Transfer and Exchange of Bonds. The Issuer shall cause the Bond Register to be kept at the principal office of the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and

assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 for any one maturity, or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange (i) any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bond and ending on the date of such redemption.

SECTION 5. Form of Bonds. The Bonds and the endorsements to appear thereon shall be in substantially the following forms, respectively, to-wit:

No. R-\_\_\_\_\_

Principal Amount \$

**UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ST. CHARLES**

**SALES TAX BOND, SERIES 2003  
OF THE  
PARISH OF ST. CHARLES, STATE OF LOUISIANA**

Bond Date	Maturity Date	Interest Rate	CUSIP <u>Number</u>
July 1, 2003	July 1, ____	____%	

The PARISH OF ST. CHARLES, STATE OF LOUISIANA (the "Issuer"), promises to pay, but only from the source and as hereinafter provided, to

\_\_\_\_\_

or registered assigns, on the Maturity Date set forth above, but solely from the revenues hereinafter described, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on January 1 and July 1 of each year, commencing January 1, 2004 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity or redemption, is payable in lawful money of the United States

of America at the principal corporate trust office of Bank One Trust Company, N.A., in the City of New Orleans, Louisiana, or successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner (determined as of the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part necessary to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that the Bonds shall not be invalid for any irregularity or defect in the proceedings providing for the issuance and sale thereof and shall be incontestable in the hands of bona fide purchasers or owners for value thereof.

IN WITNESS WHEREOF, the Issuer, acting through its governing authority, the St. Charles Parish Council, has caused this Bond to be executed in the name of the Issuer by the facsimile signatures of its Parish President and Secretary and the corporate seal of the Issuer to be imprinted hereon.

PARISH OF ST CHARLES,  
STATE OF LOUISIANA

(facsimile)  
Secretary

— (facsimile)  
Parish President

(SEAL)

(FORM OF REVERSE OF BOND)

This Bond is one of an authorized issue aggregating in principal the sum of Four Million Seven Hundred Thirty-Five Thousand Dollars (\$4,735,000) (the "Bonds"), all of like tenor and effect except as to number, denomination, interest rate and maturity, said Bonds having been issued by the Issuer

pursuant to an ordinance adopted by its governing authority on May 19, 2003 (the "Bond Ordinance"), for the purpose of constructing, acquiring and improving capital improvements for the Parish (including but not limited to sewers and sewerage disposal works, drains, drainage canals, pumps and pumping plants, dykes and levees), for providing a reserve for such bonds and for paying the issuance costs thereof, under the authority conferred by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements therein specified, including the authorization of a majority of the qualified electors voting at an election held on April 30, 1983, the result of which election has been duly promulgated in accordance with law.

The Bond may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 for any one maturity, or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange (i) any Bond during a period beginning at the opening of business on the 15th calendar day of the month preceding an Interest Payment Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bond and ending on the date of such redemption.

Those Bonds maturing July 1, 2014, and thereafter, will be callable for redemption by the Issuer in full at any time on or after July 1, 2013, at the redemption price, expressed as a percentage of the principal amount of each Bond redeemed set forth below, together with accrued interest to the date fixed for redemption:

Redemption Period (both dates inclusive)	Redemption Price
July 1, 2013 to June 30, 2014	101-1/2%
July 1, 2014 to June 30, 2015	101%
July 1, 2015 to June 30, 2016	100-1/2%
July 1, 2016 and thereafter	100%

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

This Bond and the issue of which it forms a part are payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special three-eighths of one percent (3/8%) sales and use tax (the "Tax") now being levied and collected in the Issuer under the authority of Article VI, Section 29 of the Louisiana Constitution of 1974, and pursuant to an election held on April 30, 1983, subject only to the prior payment of the reasonable and necessary costs and expenses of collecting

the Tax. This Bond constitutes a borrowing solely upon the credit of the avails, proceeds and revenues of the Tax accruing to the Issuer and its governing authority and does not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory provisions relating to the incurring of indebtedness. The governing authority of the Issuer has covenanted and agreed and does hereby covenant and agree to continue to levy said Tax and not to discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which this Bond and the issue of which it forms a part have been issued, nor in any way make any change which would diminish the amount of said Tax revenues pledged to the payment of the Bonds, until all of such Bonds have been paid in principal and interest. For a complete statement of the revenues from which and conditions under which this Bond is issued, reference is hereby made to the Bond Ordinance.

This Bond and the issue of which it forms a part have been duly registered with the Secretary of State of Louisiana as provided by law.

\* \* \* \* \*

(FORM OF SECRETARY OF STATE ENDORSEMENT -  
TO BE PRINTED ON ALL BONDS)

OFFICE OF SECRETARY OF STATE  
STATE OF LOUISIANA  
BATON ROUGE

Incontestable. Secured by a pledge and dedication of proceeds of a sales  
and use tax in the Parish of St. Charles, State of Louisiana. Registered  
this \_\_\_ day of \_\_\_\_\_, 2003.

\_\_\_\_\_  
Secretary of State

\* \* \* \* \*

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION -  
TO BE PRINTED ON ALL BONDS)

This Bond is one of the Bonds referred to in the within mentioned Bond Ordinance.

BANK ONE TRUST COMPANY, N.A.,  
as Paying Agent

Date of  
Registration:

By:

Authorized Officer

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_

Please Insert Social Security  
or other Identifying Number of Assignee

[ \_\_\_\_\_ ]

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_ attorney or agent to transfer the within Bond  
on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with  
the name as it appears upon the face of the within Bond in every  
particular, without alteration or enlargement or any change  
whatever.

\* \* \* \* \*

(FORM OF LEGAL OPINION CERTIFICATE -  
TO BE PRINTED ON ALL BONDS)

I, the undersigned Secretary of the St. Charles Parish Council, do hereby certify that the following is a true copy of the complete legal opinion of Foley & Judell, L.L.P., the original of which was manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and was delivered to the original purchaser thereof:

( Insert Legal Opinion)

I further certify that an executed copy of the above legal opinion is on file in my office, and that an executed copy thereof has been furnished to the Paying Agent for this Bond.

(facsimile)  
Secretary

\* \* \* \* \*

INSERT MBIA INSURANCE LEGEND

SECTION 6. Execution of Bonds. The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, and the Legal Opinion Certificate shall be signed by the Secretary of the Issuer, which signatures and seal may be either manual or facsimile.

SECTION 7. Registration of Bonds by Secretary of State. The Bonds shall be registered with the Secretary of State of Louisiana as provided by law and shall bear the endorsement of the Secretary of State of Louisiana in substantially the form set forth herein, provided such endorsement shall be manually signed only on the Bonds initially delivered to the Purchaser; any Bonds subsequently exchanged therefor as permitted in this Bond Ordinance may bear the facsimile signature of said Secretary of State.



SECTION 8. Recital of Regularity. This Governing Authority, having investigated the regularity of the proceedings had in connection with this issue of Bonds, and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

*"It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State."*

SECTION 9. Pledge of Tax Revenues. The Bonds shall be secured by and payable in principal and interest and redemption premium, if any, solely from an irrevocable pledge and dedication of the avails or proceeds of the Revenues of the Tax, after there have first been paid from the gross avails or proceeds of the Tax the reasonable and necessary costs and expenses of collecting the Tax, all as more fully provided in the Sales Tax Ordinance. The Revenues of the Tax are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal, interest and redemption premium, if any, as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Revenues of the Tax shall be set aside in a separate fund, as herein provided, and shall be and remain pledged for the security and payment of the Bonds in principal and interest and for all other payments provided for in this Bond Ordinance until the Bonds shall have been fully paid and discharged.

SECTION 10. Flow of Funds. The Issuer, through the Governing Authority, by proper ordinance and/or resolution, hereby obligates itself to continue to levy and collect the Tax until all of the Bonds have been retired as to principal, interest and redemption premium, if any, and further obligates itself not to discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, nor in any way make any change which would diminish

the amount of the Revenues of the Tax to be received by the Issuer until all of the Bonds have been paid as to both principal and interest and redemption premium, if any. In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the Issuer further covenants as follows:

All avails or proceeds of the Tax shall be deposited daily as the same may be collected to the credit of the Issuer, in a separate and special bank account established and maintained with the regularly designated fiscal agent of the Issuer and known and designated as the "Three-Eighths of One Percent Sales Tax Fund" (the "Sales Tax Fund"). Out of the funds on deposit in the Sales Tax Fund, the Issuer shall first pay all reasonable and necessary expenses of collection and administration of the Tax. After payment of such expenses, the remaining balance of the Tax proceeds shall constitute a dedicated fund of the Issuer, from which appropriations and expenditures by the Issuer shall be made solely for the purposes designated in the proposition authorizing the levy of the Tax, including the payment of Bonds, which Sales Tax Fund shall be administered and used in the following order of priority and for the following express purposes:

(a) The establishment and maintenance of the "Three-Eighths of One Percent Public Improvement Sales Tax Bond Sinking Fund" (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, including any *pari passu* bonds issued hereafter in the manner provided by the Bond Ordinance, as they severally become due and payable, by transferring from the Sales Tax Fund monthly, in advance, to the regularly designated fiscal agent bank or banks of the Issuer, on or before the 20th day of each month of each year, a sum equal to one-sixth (1/6) of the interest falling due on the next Interest Payment Date and one-twelfth (1/12) of the principal falling due on the next principal payment date on the Bonds, together with such additional proportionate sum as may be required to pay said principal and interest and all paying agent, bond registration and transfer fees and costs as the same respectively become due. Said fiscal agent bank or banks shall transfer from the Sinking Fund to the paying agent bank or banks three (3) days in advance of the date of which payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

(b) The establishment and maintenance of a "Three-Eighths of One Percent Public Improvement Sales Tax Bond Reserve Fund" (the "Reserve Fund") by transferring from the proceeds of the Bonds to the Reserve Fund the Reserve Fund Requirement (hereinafter defined). The sum so deposited in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the Bonds payable from the aforesaid Sinking Fund as to which there would otherwise be a default. In the event that additional *pari passu* bonds are issued hereafter in the manner provided by the Bond Ordinance, there shall be transferred monthly or annually from the Sales Tax Fund into the Reserve Fund or capitalized and paid from the proceeds of such additional bonds such amounts (as may be designated in the ordinance authorizing the issuance of such *pari passu* bonds) as will increase the total amount on

deposit in the Reserve Fund within a period not exceeding five (5) years to a sum equal to the highest combined principal and interest requirements in any succeeding Fiscal Year on all outstanding bonds issued pursuant to the terms of the Bond Ordinance, including such additional *pari passu* bonds.

(c) Reserve Fund Requirement. The Reserve Fund Requirement may be funded with cash or Investment Obligations, or one or more Reserve Products, or a combination thereof. Any such Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for payment of the principal of or interest on the Bonds due on such date which cannot be cured by funds in any other fund or account held pursuant to the Bond Ordinance and available for such purpose, and shall name the Paying Agent as the beneficiary thereof. In no event shall the use of a Reserve Product be permitted if it would cause any existing rating on any parity debt thereof to be lowered, suspended or withdrawn. If a disbursement is made from a Reserve Product as provided above, the Issuer shall be obligated to reinstate the maximum limits of such Reserve Product immediately following such disbursement from the first Revenues available pursuant to this Section or to replace such Reserve Product by depositing into the Reserve Fund, funds in the maximum amount originally available under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements under such Reserve Product, or a combination thereof. For purposes of this Section, amounts necessary to satisfy such Reimbursement Obligations of the Issuer to the Reserve Product Provider shall be deemed to be required deposits to the Reserve Fund, but shall be applied to satisfy the Reimbursement Obligations to the Reserve Product Provider

If the Reserve Fund Requirement is funded in whole or in part with cash or Investment Obligations and no event of default shall have occurred and be continuing hereunder, the Issuer may at any time in its discretion, substitute a Reserve Product meeting the requirements of the Bond Ordinance for the cash and Investment Obligations in the Reserve Fund and the Issuer may then withdraw such cash and Investment Obligations from the Reserve Fund and deposit them to the credit of the Sales Tax Fund so long as (i) the same does not adversely affect any rating by a Rating Agency then in effect with respect to the parity debt, or any Series thereof, and (ii) the Issuer obtains an opinion of Bond Counsel to the effect that such actions will not, in and of themselves, adversely affect the exclusion from gross income of interest on the parity debt (if not Taxable Bonds) for federal income tax purposes.

Cash on deposit in the Reserve Fund shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on any Reserve Product. If more than one Reserve Product is deposited in the Reserve Fund, drawings thereunder shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Any Supplemental Ordinance may require a greater Reserve Fund Requirement or other obligations on behalf of Issuer with respect to the Reserve Fund.

(d) If at any time it shall be necessary to use moneys in the Reserve Fund as above established for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the avails of the Tax first thereafter received, not hereinabove required to be used for all reasonable and necessary costs and expenses of collecting and administering the Tax or for current principal and interest requirements, it being the intention hereof that there shall be as nearly as possible at all times in the Reserve Fund the amount hereinabove specified.

All or any part of the moneys in the Reserve Fund shall, at the written request of the Issuer, be invested in Qualified Investments, in which event all income derived from such Qualified Investments shall be added to the Sales Tax Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Sales Tax Fund is created. Income on investments in the Reserve Fund shall be added to the Sales Tax Fund only to the extent that such income exceeds the amount required to be on deposit in the Reserve Fund.

(e) Any moneys remaining in the Sales Tax Fund on the 20th day of each month and after making the required payments into the Sinking Fund and the Reserve Fund for the current month and for prior months during which the required payments may not have been made shall be considered surplus. Such surplus may be used by the Issuer for any of the purposes for which the imposition of the Tax is now or hereafter may be authorized or for the purpose of retiring Bonds in advance of their maturities, either by purchase of Bonds then outstanding at prices not greater than the then applicable redemption prices of said Bonds or by retiring such Bonds at the prices and in the manner set forth in the Bond Ordinance.

SECTION 11. Issuer Obligated to Continue to Collect Tax. The Issuer does hereby obligate itself and is bound under the terms and provisions of law to cause to be levied, imposed, enforced and collected the Tax and to provide for all reasonable and necessary rules, regulations, procedures and penalties in connection therewith, including the proper application of the Revenues of the Tax, until all of the Bonds have been retired as to both principal and interest. Nothing herein contained shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary the Sales Tax Ordinance or any subsequent resolution or ordinance providing with respect to the Tax, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the Revenues of the Tax. The Sales Tax Ordinance and the obligation to continue

to levy, collect and allocate the Tax and to apply the Revenues of the Tax in accordance with the provisions of this Bond Ordinance, shall be irrevocable until the Bonds have been paid in full as to both principal and interest, and shall not be subject to amendment, alteration or repeal in any manner which would impair the rights of the Owners from time to time of the Bonds or which would in any way jeopardize the prompt payment of principal thereof and interest thereon. More specifically, neither the Legislature of Louisiana nor the Issuer may discontinue or decrease the Tax or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, or in any way make any change which would diminish the amount of the Revenues of the Tax pledged to the payment of the Bonds and received by the Issuer, until all of such Bonds shall have been retired as to both principal and interest.

The Owners of any of the Bonds may, either at law or in equity, by suit, action, mandamus or other proceeding, enforce and compel performance of all duties required to be performed by the Issuer or the Governing Authority as a result of issuing the Bonds and may similarly enforce the provisions of the Sales Tax Ordinance imposing the Tax and this Bond Ordinance and proceedings authorizing the issuance of the Bonds.

SECTION 12. Covenants of the Issuer. In providing for the issuance of the Bonds, the Issuer does hereby covenant that it has a legal right to levy and collect the Tax, to issue the Bonds and to pledge the Revenues of the Tax as herein provided, and that the Bonds will have a lien and privilege on the Revenues of the Tax, subject only to the prior payment of the reasonable and necessary costs and expenses of administering and collecting the Tax

SECTION 13. Bond Ordinance a Contract. The provisions of this Bond Ordinance shall constitute a contract between the Issuer and the Owner or Owners from time to time of the Bonds, and any Owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other proceedings,

enforce and compel the performance of all duties required to be performed by the Governing Authority as a result of issuing the Bonds, and may similarly enforce the provisions of the Sales Tax Ordinance and this Bond Ordinance.

SECTION 14. Records and Accounts Relating to Tax. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the Revenues of the Tax, including specifically but without limitation, all reasonable and necessary costs and expenses of collection

Not later than six (6) months after the close of each Fiscal Year, the Issuer shall cause an audit of such books and accounts to be made by the Legislative Auditor of the State of Louisiana (or his successor) or by a recognized independent firm of certified public accountants showing the receipts of and disbursements made for the account of the Sales Tax Fund. Such audit shall be available for inspection upon request by the Owners of any of the Bonds. The Issuer further agrees that the Paying Agent and the Owners of any of the Bonds shall have at all reasonable times the right to inspect the records, accounts and data of the Issuer relating to the Tax.

SECTION 15. Issuance of Refunding and Additional Parity Bonds. The Bonds shall enjoy complete parity of lien on the Revenues of the Tax despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues of the Tax having priority over or parity with the Bonds, except that bonds may hereafter be issued on a parity with the Bonds under the following conditions:

a. The Bonds, or any part thereof, including interest thereon and redemption premiums thereon, may be refunded and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues which may have been enjoyed by the Bonds refunded; provided, however, that if only a portion of the Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any Bond Year in excess of the principal and interest which would have been required in such Bond Year to pay the Bonds refunded thereby, then such Bonds may not be refunded without consent of the Owners of the unrefunded portion of the Bonds issued hereunder (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause (b) below of this Section 15).

b. Additional bonds may also be issued on a parity with the Bonds if all of the following conditions are met:

i. The average annual revenues derived by the Issuer from the Tax when computed for the last two (2) completed calendar years immediately preceding the issuance of the Additional Parity Bonds must have been not less than 2.00 times the highest combined principal and interest requirements for any succeeding period on all Bonds then outstanding, including any *pari passu* Additional Parity Bonds theretofore issued and then outstanding, and any other bonds or other obligations whatsoever then outstanding which are payable from the Net Revenues of the Tax (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption) and the bonds so proposed to be issued,

ii. The payments to be made into the various funds provided for in the Bond Ordinance must be current.

iii. The existence of the facts required by paragraphs (i) and (ii) above must be confirmed by the Director of Finance of the Issuer, or by an independent certified public accountant.

iv. The Additional Parity Bonds must be payable as to principal on July 1st of each year in which principal falls due beginning not later than three (3) years from the date of issuance of said additional bonds and payable as to interest on January 1st and July 1st of each year.

v. No Additional Parity Bonds may be issued should any event of default under the Bond Ordinance have occurred and be continuing.

vi. No Additional Parity Bonds may be issued without the Insurer's, if any, prior written consent Policy Costs are past due and owing to the Insurer.

SECTION 16. Events of Default      The occurrence and continuance of one or more of the following events shall be an Event of Default under the Bond Ordinance:

- (a) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise (in determining whether a principal payment default has occurred, no effect shall be given to payments made under the Municipal Bond Insurance Policy); or
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable (in determining whether an interest payment default has occurred, no effect shall be given to payments made under the Municipal Bond Insurance Policy); or
- (c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Ordinance, any supplemental ordinance or in the Bonds, and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Insurer or the Owners of not less than 25% of the Bond Obligation; or
- (d) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law;

then, upon the happening and continuance of any Event of Default the Insurer, if any, and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law. Under no circumstances may the principal or interest of any of the Bonds be accelerated. All remedies shall be cumulative with respect to the Paying Agent, the Owners and the Insurer; if any remedial action is discontinued or abandoned, the Paying Agent, and the Owners shall be restored to their former positions.

The Paying Agent or Issuer shall provide the Insurer, if any, with immediate notice of any payment default, and notice of any other default known to the Paying Agent within thirty (30) days of the Paying Agent's or Issuer's knowledge thereof.

The Issuer has covenanted that, to the extent there are no other available funds held under the Bond Ordinance to pay principal and interest on the Bonds in the event of a payment default, it will apply any remaining surplus Bond proceeds (not otherwise contractually encumbered) to the payment of such defaulted principal and interest.

SECTION 17. Supplemental Ordinances



Effective Without Bondowners' Consent. For any one or more of the following purposes and at any time from time to time, a supplemental ordinance may be adopted, which, upon the filing with the Paying Agent and the Insurer, if any, of a certified copy thereof, but without any consent of Bondowners, shall be fully effective in accordance with its terms:

a. to add to the covenants and agreements of the Issuer in the Bond Ordinance other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect;

b. to add to the limitations and restrictions in the Bond Ordinance other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect;

c. to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the Bond Ordinance but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Bond Ordinance;

d. to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Bond Ordinance; or

e. to insert such provisions clarifying matters or questions arising under the Bond Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect.

Notwithstanding the foregoing, no provision of the Bond Ordinance expressly recognizing or granting rights in or to the Insurer, if any, may be amended in any manner which affects the rights of the Insurer, if any, under the Bond Ordinance without the prior written consent of the Insurer, if any.

Effective With Consent of Bondowners. Except as provided above, any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds under the Bond Ordinance, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Bond Obligation (as defined in the Bond Ordinance) at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentage of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy and collect the Tax for the payment of the Bonds as provided in the Bond Ordinance, without consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of either the Paying Agent without its written assent thereto. Bonds shall be deemed to be affected by a modification or amendment of the Bond Ordinance if the same adversely affects or diminishes

the rights of the Owners of the Bonds. The consent of the Insurer, if any, shall be required in addition to the consent of the Owners, when required, for the adoption of any supplemental ordinance.

SECTION 18. Protection of the Revenues of the Tax. So long as any of the Bonds are outstanding and unpaid, the Issuer shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the collection of the Tax, including Revenues of the Tax, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

The Sales Tax Fund, the Sinking Fund and the Reserve Fund provided for in Section 10 hereof shall all be and constitute trust funds for the purposes provided in this Bond Ordinance and the Owners be and the same are hereby granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds by direct obligations of the United States of America, the State of Louisiana, the Issuer, or any other political subdivision of the State located in the Issuer, having a market value of not less than the amount of money then on deposit in said funds.

SECTION 19 Mutilated, Destroyed, Lost or Stolen Bonds. If any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding. In case any such

mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Bond Ordinance equally and ratably with all other outstanding Bonds. The procedures set forth in the Agreement authorized in this Bond Ordinance shall also be available with respect to mutilated, destroyed, lost or stolen Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 20. Discharge of Bond Ordinance. If the Issuer shall pay or cause to be paid, or there shall be paid to the Owners, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Bond Ordinance, then the pledge of the Revenues of the Tax or any other money, securities, and funds pledged under this Bond Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners of Bonds shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Bond Ordinance to the Issuer.

SECTION 21. Defeasance. Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning

and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if there shall have been deposited in trust either money in an amount which shall be sufficient, or Government Securities the principal of and the interest on which when due will provide money which, together with the money, if any, deposited in trust at the same time, shall be sufficient to pay when due the principal of, premium, if any, and interest to become due on such Bonds on and prior to the stated maturity. Neither Government Securities nor money deposited in trust pursuant to this Section, nor principal or interest payments on any such Government Securities, shall be withdrawn or used for any such purpose other than, and shall be held in trust for, the payment of the principal of and interest on such Bonds. Any cash received from such principal of and interest on such investment securities deposited in trust, if not needed for such purpose, shall, to the extent practicable, be reinvested in Government Securities (which may be non-interest bearing) maturing at times and in amounts sufficient to pay when due the principal, premium, if any, and interest on such Bonds on and prior to the maturity thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the depository, free and clear of any trust, lien, or pledge. Any payment for Government Securities purchased for the purpose of reinvestment as aforesaid shall be made only against delivery of such Government Securities.

SECTION 22. Successor Paying Agent; Paying Agent Agreement. The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Bond Ordinance is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (A) filing with the Person then performing such function a certified copy of a resolution or an ordinance giving notice of the termination of the Agreement and appointing a successor and (B) causing notice to be given

to each Owner. Every Paying Agent appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the Issuer in such form as may be satisfactory to said officers, the signatures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 23. Effect of Registration. The Issuer, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 24. Notices to Owners. Wherever this Bond Ordinance provides for notice to Owners of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register. In any case where notice to Owners of Bonds is given by mail, neither the failure to mail such notice to any particular Owner of Bonds, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Bond Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 25. Cancellation of Bonds. All Bonds surrendered for payment, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already canceled, shall be promptly canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

SECTION 26. Preparation of Bonds; Deposit of Bond Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Bond Ordinance, to cause the necessary Bonds to be printed or lithographed, to issue, execute, seal and deliver the Bonds, to effect the delivery of the Bonds in accordance with the sale thereof, to collect the purchase price therefor, and to deposit the funds derived from the sale of the Bonds (except accrued interest, which shall be deposited in the Sinking Fund) in a special construction account with the regularly designated fiscal agent bank of the Issuer. The proceeds derived from the sale of the Bonds shall constitute a trust fund to be used exclusively for the purposes for which the Bonds are herein authorized to be issued, but the Purchaser shall not be obliged to see to the application thereof. In addition to the limitation set forth in Section 2 as to the purpose of the issue, the bond proceeds (except accrued interest which shall be placed in the Sinking Fund and the payment of costs of issuance and any required payment to the Reserve Fund) shall be used exclusively for paying or repaying the costs of planning, engineering, constructing, acquiring and improving the pump and drainage project on the East Bank of the Parish popularly known as the "Bayou Trepanier Hurricane Protection Drainage Project".

However, this restriction shall not constitute a contract with bondholders and may be amended from time to time by ordinance of the St. Charles Parish Council.

SECTION 27. Arbitrage. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (A) the failure to comply with the limitation on investment of Bond proceeds or (B) the failure to pay any required rebate of arbitrage earnings to the United States of America or (C) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds". The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 28. Bonds are not "Bank Qualified". The Bonds are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

SECTION 29. Publication: Peremption. A copy of this Bond Ordinance shall be published immediately after its adoption in one issue of the official journal of the Issuer. For a period of thirty (30) days from the date of such publication, any person in interest shall have the right to contest the legality of this Bond Ordinance and of the Bonds to be issued pursuant hereto and the provisions hereof securing the Bonds. After the expiration of said thirty (30) days, no one shall have any cause of right of

action to contest the legality, formality or regularity of this Bond Ordinance or bond authorization, for any cause whatsoever. If the question of the validity of this Bond Ordinance or bond authorization is not raised within the thirty days, the authority to issue the Bonds and the regularity thereof, including all things pertaining to the election at which the Bonds were authorized, shall be conclusively presumed, and no court may inquire into such matters.

SECTION 30. Recordation. A certified copy of this Bond Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of St. Charles, State of Louisiana.

SECTION 31. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 32. Disclosure Under SEC Rule 15c2-12. The Executive Officers are hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in the official statement issued in connection with the sale and issuance of the Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 33. Employment. This Governing Authority finds and determines that a real necessity exists for the employment of special bond counsel in connection with the issuance of the Bonds, and accordingly Foley & Judell, L.L.P., as Bond Counsel, is hereby employed to do and perform comprehensive legal and coordinate professional work as bond counsel with respect to the issuance and



sale of the Bonds. Said Bond Counsel shall prepare and submit to this Governing Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of such Bonds, shall counsel and advise this Governing Authority as to the issuance and sale thereof and shall furnish its opinion covering the legality of the issuance of the Bonds. The total fee of Bond Counsel shall be fixed at a sum not exceeding the maximum fee allowed by the Attorney General's fee schedule for comprehensive, legal and coordinate professional work in the issuance of revenue bonds and based on the amount of Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses, said fees to be contingent upon the issuance, sale and delivery of the Bonds. Pursuant to instructions from the Secretary of the Governing Authority, Fiscal Services, Inc., of New Orleans, Louisiana, has caused to be prepared an official statement containing detailed and comprehensive financial and statistical data with respect to the sale of the Bonds and the costs of the preparation and printing of said official statement shall be paid from the proceeds of the issue for which it has been prepared. Said official statement shall be submitted to such nationally recognized bond rating service or services as may be recommended by Bond Counsel, together with a request that an appropriate rating be assigned. Payment for all ratings shall be made by the Secretary of the Governing Authority upon presentation of appropriate statements from the particular rating service furnishing the ratings. A certified copy of this ordinance shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fees herein designated, and the Secretary of the Governing Authority is hereby empowered and directed to issue vouchers to said Bond Counsel in payment for the work herein provided for upon completion of the work herein specified and under the conditions herein enumerated.

SECTION 34. Filing Requirements. Section 1430.1 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, applies to the issuance of the Bonds and the pledge of the taxes granted by

the Issuer under this ordinance, and such pledge is therefore valid, effective, and perfected. If Louisiana law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under this ordinance is to be subject to any filing requirements, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Louisiana law to comply with the applicable provisions of such law, and enable a filing to perfect the security interest in said pledge.

SECTION 35. Acceptance of Best Bid. The bid of the Purchaser for the purchase of the Bonds, a copy of which is annexed hereto as Exhibit A, and being the best bid received for the purchase of the Bonds, is hereby accepted and the Bonds are hereby awarded in compliance with the terms of the bid.

SECTION 36. Effective Date. This Bond Ordinance shall become effective immediately

SECTION 37. Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 38. Expenditure of the Proceeds. The expenditure of the proceeds of the Bonds shall be subject to the limitations and restrictions set forth in Section 26.

This Ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: Ram Ramchandran, Clayton Fauchaux, Desmond J. Hilaire, Dee Abadie, Terry Authement, April Black, Lance Marino and Barry Minnich

NAYS: None

ABSENT: Brian Fabre

And the Ordinance was declared adopted on this, the 19th day of May, 2003, to become effective five (5) days after publication in the official journal.

CHAIRMAN: *Lance Martin*

SECRETARY: *Barbara J. Just*

DLVD/PARISH PRESIDENT: *May 21, 2003*

APPROVED:  DISAPPROVED:

PARISH PRESIDENT: *Albert D. Laquey*

RETD/SECRETARY: *May 22, 2003*

AT: *1:15 pm* RECD BY: *AJ*

RECORDED IN THE ST. CHARLES PARISH  
CLERK OF COURT OFFICE  
ON *May 29, 2003*  
AS ENTRY NO. *280341*  
IN MORTGAGE/CONVEYANCE BOOK  
NO. *931* FOLIO *621*