

*Ord.*

**2007-0158**

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

**ORDINANCE NO. 07-5-8**

An ordinance authorizing the issuance of not to exceed One Hundred Million Dollars (\$100,000,000) of Qualified Gulf Opportunity Zone Revenue Bonds (REG Destrehan, LLC Project) Series 2007A of the Parish of St. Charles, State of Louisiana, approving the form and authorizing the execution and delivery of a Financing Agreement and a Trust Indenture to secure the Bonds; acknowledging and accepting the benefits of a Guaranty Agreement and mortgages; authorizing the appropriate officers of the Parish to execute the aforementioned instruments and all other documents and certificates deemed necessary in connection therewith; and providing for other matters with respect to the foregoing.

**WHEREAS**, in order to encourage the location of or addition to industrial enterprises in the Parish of St. Charles, State of Louisiana (the "Parish"), or adjoining thereto, the Parish is authorized and empowered under the laws of the State of Louisiana, including particularly Sections 991 through 1001, inclusive and Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority, to issue revenue bonds and use the funds derived from the sale of such bonds to acquire, purchase, lease, rent, construct, or improve industrial plant sites and industrial plant buildings, including facilities for the generation of electricity and production of steam and other forms of energy, and pollution abatement and control facilities, and necessary property and appurtenances thereto; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Act and a Financing Agreement to be dated as of June 1, 2007 (the "Financing Agreement"), by and among the Parish, REG Destrehan, LLC, and REG Emporia, LLC, both of which are Iowa limited liability companies, or related entity or entities (the "Companies"), the Parish proposes to issue revenue bonds which will enable the Parish to finance the cost of a project consisting of the acquisition, development and construction of a dual-grade bio-diesel production facility and related facilities to be located in the Parish, in St. Rose, Louisiana (the "Project"), for the benefit of REG Destrehan, LLC; and

**WHEREAS**, the Project has created or will create additional employment opportunities for residents of the Parish and the surrounding area, and has enhanced or will enhance the tax base of the Parish; and

**WHEREAS**, pursuant to and in accordance with the provisions of the Act and other constitutional and statutory authority, and a Trust Indenture by and between Hancock Bank of Louisiana, in the City of Baton Rouge, Louisiana, as trustee (the "Trustee"), and the Parish (the "Indenture"), the Parish proposes to issue its Qualified Gulf Opportunity Zone Revenue Bonds (REG Destrehan, LLC Project) Series 2007A

(the "Bonds") in the aggregate principal amount of not to exceed One Hundred Million Dollars (\$100,000,000) for the purpose of financing the cost of acquiring, developing and constructing the Project; and

**WHEREAS**, the Bonds will be entitled to the benefits of a Guaranty Agreement from the the Companies,, as joint and solidary guarantors, to the Trustee (the "Guaranty Agreement"), a leasehold mortgage of the Project in favor of the Trustee and an additional mortgage from REG Emporia, LLC; and

**WHEREAS**, in consideration of the financing of the Project by the Parish pursuant to the Financing Agreement, the Companies will agree to make payments in an amount sufficient to pay the principal of, premium, if any, and interest on the Bonds pursuant to the Financing Agreement and the Bonds shall be payable solely from the revenues derived by the Parish from the payments by the Companies pursuant to the Financing Agreement, and the Bonds shall never constitute an indebtedness or pledge of the general credit of the Parish within the meaning of any constitutional or statutory limitation of indebtedness or otherwise; and

**WHEREAS**, all consents and approvals required to be given by public bodies in connection with the authorization, issuance and sale of the Bonds herein authorized as required by the Act have been or will be secured prior to the delivery of the Bonds; and

**WHEREAS**, the Bonds are to be purchased by Oppenheimer & Co., Inc., pursuant to the terms of a Bond Purchase Agreement and a Placement Memorandum which will be approved by subsequent ordinance of this Parish Council; and

**WHEREAS**, the Parish and REG Destrehan, LLC, also propose to enter into a Cooperative Endeavor Agreement (the "CEA") providing for certain incentive payments by the Parish to REG Destrehan, LLC, in consideration of the joint benefits which the parties thereto will derive from this undertaking, and in accordance with the provisions of Article VII, Section 14(C) of the Louisiana Constitution of 1974, as amended, and other constitutional and statutory authority supplemental thereto; and

**WHEREAS**, it is now the desire of this Parish Council to authorize the execution and delivery of the Indenture and the Financing Agreement, to fix the details necessary with respect to the issuance and sale of the Bonds and to provide for the execution of certain instruments, documents and certificates in connection therewith;

**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. Authorization of Bonds.** There is hereby authorized to be issued, sold and delivered not exceeding One Hundred Million Dollars (\$100,000,000) aggregate principal amount of "Qualified Gulf Opportunity Zone Revenue Bonds (REG Destrehan, LLC Project) Series 2007A of the Parish of St. Charles, State of Louisiana," pursuant to the provisions of the Act for the purpose of providing funds to finance the cost of the acquisition, development and construction of the Project described above, for the benefit of REG Destrehan, LLC. The details of the Bonds and the provisions of

their issuance, security and payment shall be as set forth in the Indenture, said Indenture to be substantially in the form submitted at this meeting and filed with the official minutes of this Parish Council, with such additions, omissions and changes as may be approved by Bond Counsel to the Parish and the officers of the Parish.

The Bonds shall not constitute an indebtedness or pledge of the general credit of the Parish within the meaning of any constitutional or statutory limitation of indebtedness and shall contain a recital to that effect. As provided by La. R.S. 39:1430, the Bonds shall be payable out of the income, revenues, and receipts derived or to be derived from the Parish from the hereinafter described Financing Agreement.

The Bonds shall be designated as Gulf Opportunity Zone Bonds under Section 1400N(a) of the Internal Revenue Code of 1986, as amended by the Gulf Opportunity Zone Act of 2005.

The Bonds shall be issued as fixed rate Bonds, bearing interest at a rate not to exceed 12% per annum, and shall mature not later than thirty (30) years from the date thereof. The final interest rate, maturity date, and principal repayment provisions, within the parameters of the preceding sentence, shall be as set forth in the hereinafter described Bond Purchase Agreement and approved by the Parish President by virtue of his execution of said Bond Purchase Agreement.

SECTION 2. The Parish does hereby find and determine that with respect to the CEA there is a reasonable expectation that the development of the Project through the issuance of the Bonds, and the economic benefits accruing therefrom, serve a public purpose and that, based solely on financial projections and other information provided to the Parish by REG Destrehan, LLC, the proposed payments by the Parish to REG Destrehan, LLC, under the terms of the CEA will be less than the financial benefits to be received by the Parish as a result of the Development.

SECTION 3. Execution of Indenture, Financing Agreement and CEA. The Parish President and the Secretary of the Parish Council are hereby empowered, authorized and directed to negotiate, execute and deliver the CEA, Financing Agreement and Indenture for, on behalf of, in the name of and under the official seal of the Parish, in accordance with the provisions of the Act, and other constitutional and statutory authority, substantially in the forms as submitted at this meeting and filed with the official minutes of this Parish Council, with such additions, omissions and changes as may be approved by Bond Counsel to the Parish and the officers of the Parish. The signatures of the aforesaid officers upon the CEA, Financing Agreement and Indenture as so executed shall be deemed conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 4. Guaranty Agreement and Mortgage. The Parish hereby acknowledges and accepts the benefits of the Guaranty Agreement from the Companies, as well as a leasehold mortgage of the Project from REG Destrehan, LLC, to the Trustee as additional security for the obligations of the Companies under the Financing Agreement, and a mortgage of certain additional property from REG Emporia,

LLC, to the Trustee as additional security for the guarantors' obligations under the Guaranty Agreement.

SECTION 5. Additional Documents. The Parish President and/or Secretary of the Parish Council are hereby further authorized and directed for, on behalf of, and in the name of the Parish to negotiate, execute and deliver any and all additional instruments, documents and certificates in addition to the documents set forth above, including, without limitation a mortgage and/or security agreement and a Tax Regulatory Agreement, which may be required by or provided for in the Financing Agreement or the Indenture, or as may otherwise be required for or necessary, convenient or appropriate to the financing described in this ordinance. Said officers are hereby further authorized and directed to approve for and on behalf of and in the name of the Parish any changes, additions or deletions in any of the documents, including, without limitation, the insertion of a mortgage and/or security agreements into any instruments or certificates referred to in this ordinance, provided that all such changes, additions or deletions, if any, shall be approved by Bond Counsel to the Parish and consistent with and within the authority provided by the Act. The signatures of the said officers upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this ordinance, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder. The Parish President and/or the Secretary of the Parish Council also are authorized to execute and deliver for and on behalf of the Parish any and all additional certificates, documents, opinions or other papers and perform all other acts customary to the closing of bond issues as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this ordinance and are further authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Indenture and Financing Agreement as executed.

SECTION 6. Sale of Bonds; Bond Purchase Agreement. The Bonds shall be sold to Oppenheimer & Co., Inc. (the "Purchaser") in accordance with the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") in such form and containing such terms as may be approved by subsequent ordinance of this Parish Council. The Bond Purchase Agreement shall set forth the final interest rate, maturity date, redemption provisions and other specific details of the Bonds, within the limits set forth in Section 1 of this Ordinance.

SECTION 7. Placement Memorandum. This Parish Council, for and on behalf of the Parish, does hereby authorize the distribution of a Preliminary Placement Memorandum and a Placement Memorandum or similar offering materials, in such form as may be approved by subsequent ordinance of this Parish Council, to prospective purchasers by the underwriters, who shall be represented by the Purchaser, describing, among other things, the Bonds and the Company; provided, however, that this authorization shall not constitute an approval of any statements in said Preliminary Placement Memorandum, and the Parish will make no representation or warranty, either express or implied, as to the accuracy or completeness of the information contained

therein (other than information appearing therein specifically regarding the Parish), as to which information the Parish has no direct knowledge.

SECTION 8. Publication; Peremption. This Ordinance shall be published one time in the *St. Charles Herald Guide*, a weekly newspaper of general circulation in the Parish of St. Charles, Louisiana (being the official journal of the Parish). In accordance with Act, for a period of thirty (30) days from the date of the publication any person in interest may contest the legality of this Ordinance and of the Bonds to be issued pursuant hereto and the provisions securing the Bonds. After the expiration of thirty (30) days no one shall have any right of action to contest the validity of the Bonds or the provisions of this Ordinance pursuant to which the Bonds are issued, and all the Bonds shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

SECTION 9. Effective Date. As provided by Section IV.B.3.f of the St. Charles Parish Charter, this Ordinance shall become effective five (5) days after its publication in the official journal.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: MARINO, FAUCHEUX, HILAIRE, FABRE, RAMCHANDRAN, WALLS,  
BLACK, DUHE, MINNICH  
NAYS: NONE  
ABSENT: NONE

And the ordinance was declared adopted on this 21st day of May, 2007.

CHAIRMAN: *[Signature]*

SECRETARY: *[Signature]*

DLVD/PARISH PRESIDENT: May 22, 2007

APPROVED:  DISAPPROVED:

PARISH PRESIDENT: *Albert D. Lopez*

RETD/SECRETARY: May 22, 2007

AT: 11:35 am RECD BY: *[Signature]*

In accordance with La. R.S. 39:1451(A) Tax Regulatory Agreement, Financing Agreement, Guaranty Agreement, Trust Indenture, and Multiple Indebtedness Mortgage to this ordinance have not been published. These Documents are on file with the minutes of the St. Charles Parish Council at the St. Charles Parish Council Office, 15045 Highway 18, Hahnville, Louisiana, and are available for inspection during regular business hours weekdays, Monday through Friday.