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**2010-0369**

**INTRODUCED BY: V.J. ST. PIERRE, JR., PARISH PRESIDENT  
(BOND COUNSEL)**

**ORDINANCE NO. 10-11-2**

An ordinance authorizing the issuance and sale of not exceeding \$300,000,000 of Parish of St. Charles, State of Louisiana Gulf Opportunity Zone Revenue Bonds (Valero Energy Corporation Project) Series 2010; approving the form and authorizing the execution and delivery of a Financing Agreement and an Indenture of Trust to secure said Bonds; approving the form and directing the execution and delivery on behalf of said Parish of the Bond Purchase Agreement which sets forth the terms and conditions under which said Bonds are being sold; approving the Official Statement for said Bonds; applying to the Secretary of Economic Development; authorizing the appropriate officers of said 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, the Parish of St. Charles, State of Louisiana (the "Issuer" or the "Parish"), is authorized and empowered by law, including particularly the provisions of Sections 991 to 1001, inclusive, of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), to issue its revenue bonds for the purpose of using the funds derived from the sale thereof to acquire, purchase, construct or improve and sell, lease or otherwise dispose of industrial plant sites and industrial plant buildings, and necessary property and appurtenances thereto; and

WHEREAS, Valero Energy Corporation, a Delaware corporation (herein, together with any related entity, referred to as the "Company"), has requested that the Issuer issue its revenue bonds the purpose of financing a portion of the costs of the acquisition, construction and installation of an expansion of its existing refinery located in St. Charles Parish including a Hydrocracker unit (HCU) to increase the complexity and volume of the refinery (the "Project"), constituting nonresidential real property to be located in the geographical limits of St. Charles Parish in the Gulf Opportunity Zone as provided in the Gulf Opportunity Zone Act of 2005, and paying the costs of issuance of such Bonds, through the issuance by the Issuer of not exceeding \$300,000,000 aggregate principal amount of Parish of St. Charles, State of Louisiana Gulf Opportunity Zone Revenue Bonds (Valero Energy Corporation Project) Series 2010 (the "Bonds"), pursuant to an Indenture of Trust (the "Indenture") between the Issuer and a trustee to be selected by the Company (the "Trustee"), the proceeds of which Bonds are to be made available to the Company to finance the Project pursuant to a Financing Agreement between the Issuer and the Company (the "Financing Agreement"); and

WHEREAS, pursuant to the provisions of Resolution No. 5445 adopted on June 18, 2007 by the Issuer and a resolution adopted on October 18, 2010, the Issuer approved the issuance of the Bonds and made application to the State Bond Commission for authorization to issue the Bonds; and

WHEREAS, the Project has created or will create additional employment opportunities for residents of the Parish and the surrounding area; has enhanced or will enhance the tax base of the Parish and has provided or will provide other public benefits flowing from the conducting of increased industrial operations, all of which will add to the economy, welfare and prosperity of the Parish and its residents; and

WHEREAS, the Company will agree to make payments in an amount sufficient to pay the principal and purchase price of, premium, if any, and interest on the Bonds pursuant to the Financing Agreement and will agree to pay all of the costs and expenses of issuance of the Bonds; and

WHEREAS, if the Issuer and the Company determine that substantial benefits may accrue from credit enhancement of the Bonds, the Bonds may be entitled to the benefits of (i) an insurance policy to be issued by a bond insurer selected by the Company or (ii) a letter of credit and/or liquidity facility to be provided by a bank or other provider to be designated by the Company; and

WHEREAS, the Bonds will be paid solely from the revenues derived by the Issuer from said payments by the Company pursuant to the Financing Agreement and, if applicable, payments by a bond insurer under an insurance policy or a credit provider pursuant to a letter of credit and/or liquidity facility, and from certain other moneys pledged under the Indenture, and the Bonds will never constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness or otherwise; and

WHEREAS, pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Company, and SunTrust Robinson Humphrey, Inc. (the "Underwriter"), the Bonds are to be purchased by the Underwriter, maturing on the date and bearing interest at the rates described herein; 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, this Parish Council now desires to approve the issuance and sale of the Bonds; approve the execution and delivery of a Financing Agreement and an Indenture of Trust to secure the Bonds; direct the execution and delivery on behalf of the Issuer of the Bond Purchase Agreement; approve an Official Statement for the Bonds; approve various financing and other documents; and provide for other matters in connection therewith;

WHEREAS, this Parish Council now desires to approve various financing and other documents; and provide for other matters in connection therewith;

NOW, THEREFORE, the St. Charles Parish Council hereby ordains:

SECTION 1. That the Bonds are hereby authorized to be issued, sold and delivered pursuant to the provisions of the Act for the purpose of providing funds to pay a portion of the cost of the acquisition, construction and installation of the Project and the costs of issuance of the Bonds. The Bonds shall be issued in the aggregate principal amount of not exceeding \$300,000,000, shall be designated "Parish of St. Charles, State of Louisiana Gulf Opportunity Zone Revenue Bonds (Valero Energy Corporation Project) Series 2010" and shall be dated the date of delivery thereof to the Underwriter. The Bonds shall be issued initially as variable rate bonds (convertible to other rates) bearing interest at a rate not to exceed 12% per annum or as fixed rate bonds bearing interest at a rate not to exceed 8% per annum, and shall mature not later than thirty (30) years from the date thereof. The details of the Bonds shall be as set forth in the Indenture, and the Bonds shall be entitled to the security provided in the Indenture.

SECTION 2. That this Parish Council hereby awards the Bonds to the Underwriter pursuant to and upon the terms and conditions of the Bond Purchase Agreement and the Notice

of Sale for the Bonds. The sale of the Bonds in accordance with the provisions of the Bond Purchase Agreement at a price of not less than 97% of the principal amount thereof, as shall be set forth in the Bond Purchase Agreement, is hereby authorized and approved.

SECTION 3. That the execution and delivery of the Bond Purchase Agreement by the Parish President is hereby approved. The signature of the Parish President on the Bond Purchase Agreement is deemed to be conclusive evidence of his exercise of the authority vested in him hereunder.

SECTION 4. That the Parish President and the Secretary of the St. Charles Parish Council be and they are hereby empowered, authorized and directed to execute and deliver the Financing Agreement and the Indenture for, on behalf of, in the name of and under the official seal of the Issuer, in accordance with the provisions of the Act, and other constitutional and statutory authority. The signatures of the aforesaid officers upon the Financing Agreement and Indenture as so executed shall be deemed conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 5. That the Parish President and Secretary are hereby further authorized and directed for, on behalf of, and in the name of the Issuer to execute and deliver any and all additional instruments, documents and certificates in addition to the documents set forth above which may be required by or provided for in the Financing Agreement, the Indenture or the Bond Purchase Agreement, 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 Issuer any changes, additions or deletions in any of the documents, 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 Issuer 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 the Secretary also are authorized to execute and deliver for and on behalf of the Issuer any and all additional certificates, documents, opinions or other papers and perform all other acts (including, without limitation, the filing of any documents to create and maintain a security interest on the properties and revenues pledged under the Indenture) 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. That application be and the same is hereby formally made to the Secretary of Economic Development of the State of Louisiana for approval of the Financing Agreement and the Indenture and that a certified copy of this ordinance and copies of said documents shall be forwarded to the Secretary of Economic Development of the State of Louisiana, together with a request for prompt consideration and approval of this application.

SECTION 7. That this Parish Council does hereby approve an Official Statement for the Bonds and the distribution of said Official Statement by the Underwriter and does hereby approve the execution and delivery of the Official Statement by the Parish President; provided, however, that this approval shall not constitute an approval of any statements in said Official Statement and this Parish Council makes no representation or warranty, either express or implied, as to the accuracy or completeness of the information contained therein (other than the under the heading "The Issuer").

SECTION 8. That by virtue of the Issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that the Issuer understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns, to full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges,

Etc.", adopted by the State Bond Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 10. That this ordinance shall be published in the *St. Charles Herald-Guide*, a newspaper published in St. Charles Parish, Louisiana, and that, as provided by the Act, for a period of thirty (30) days from the date of such publication, any person in interest may contest the legality of this ordinance and the Bonds to be issued pursuant hereto and the provisions securing the Bonds. After the said thirty days, no person may have any right of action to contest the validity of the Bonds or the provisions of this ordinance, and all of the Bonds shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

SECTION 11. The employment of bond counsel provided for in Section 7 of Resolution No. 5445, adopted on June 18, 2007 ("Resolution No. 5445") is hereby ratified and affirmed. Section 8 of Resolution 5445 is hereby amended to substitute the Director of Legal Services as local special counsel in accordance with the provisions of said Section 8.

SECTION 12. That 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.

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

YEAS: SCHEXNAYDRE, AUTHEMENT, RAYMOND, TASTET, BENEDETTO, HOGAN,  
COCHRAN, NUSS;  
NAYS: NONE  
ABSENT: LAMBERT

And the ordinance was declared adopted on this 8<sup>th</sup> day of November, 2010.

CHAIRMAN: Billy Raymond, Sr.  
SECRETARY: Phillip Jacob Tucker  
DLVD/PARISH PRESIDENT: November 9, 2010  
APPROVED: ✓ DISAPPROVED: \_\_\_\_\_  
PARISH PRESIDENT: [Signature]  
RETD/SECRETARY: November 10, 2010  
AT: 2:45 pm RECD BY: [Signature]