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FOR INSCRIPTION IN THE OFFICIAL MINUTE
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OFFICIALS WHOSE TITLES APPEAR BENEATH
THE SIGNATURE LINES.

2010-0368

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

RESOLUTION NO.

5779

A resolution approving 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; applying to the State Bond Commission; authorizing the appropriate officers of said Parish to execute all instruments, 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 (together with any related entity, 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 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, 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 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; 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; apply to the State Bond Commission; authorize the appropriate officers of said Parish to execute all instruments, documents and certificates deemed necessary in connection therewith; and provide for other matters with respect to the foregoing;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ST. CHARLES PARISH COUNCIL, acting as the governing authority of the Parish:

SECTION 1. That this Parish Council hereby approves the issuance of the Bonds 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 one or more series 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". 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 Bonds may be issued in multiple series with appropriate identification of series and shall have the further details set forth therein and in the Indenture and the Financing Agreement, and the Bonds shall be entitled to the security provided in the Indenture and the Financing Agreement.

SECTION 2. That the Parish President of the Issuer 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 relating to the Bonds 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, 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 Issuer. 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 3. That the sale of the Bonds to the Underwriter in accordance with the provisions of the Bond Purchase Agreement at a price of not less than 97%, as shall be set forth in the Bond Purchase Agreement, is hereby authorized and approved.

SECTION 4. That application be and the same is hereby made to the State Bond Commission, Baton Rouge, Louisiana, for consent and authority to issue, sell and deliver the Bonds.

SECTION 5. That the Parish President be and he is hereby authorized, empowered and directed to execute and publish a Notice of Sale authorized hereby, which notice shall be advertised in accordance with the Constitution and statutes of this State, including particularly the Act.

SECTION 6. That the Issuer hereby authorizes the publication of a Notice of Public Hearing and does hereby further authorize and approve the conducting of a public hearing in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

SECTION 7. 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.

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

YEAS: SCHEXNAYDRE, AUTHEMENT, RAYMOND, TASTET, HOGAN, COCHRAN, NUSS

NAYS: NONE

ABSENT: BENEDETTO, LAMBERT

And the resolution was declared adopted on this 18th day of October, 2010.

CHAIRMAN: Billy Raymond, Sr.

SECRETARY: Barbara Joseph Tucker

DLVD/PARISH PRESIDENT: October 19, 2010

APPROVED: ✓ DISAPPROVED:

PARISH PRESIDENT:

RETD/SECRETARY: October 19, 2010


AT: 4:26pm RECD BY: BGT

STATE OF LOUISIANA

PARISH OF ST. CHARLES

I, the undersigned Secretary of the Parish Council of the Parish of St. Charles, State of Louisiana (the "Issuer"), do hereby certify that the foregoing constitutes a true and correct copy of a resolution adopted by said Parish Council on October 18, 2010 approving 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) in one or more series; applying to the State Bond Commission; authorizing the appropriate officers of said Parish to execute all instruments, documents and certificates deemed necessary in connection therewith; and providing for other matters with respect to the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Parish on this 18th day of October, 2010.


Secretary

[SEAL]