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2010-0068

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

ORDINANCE NO. 10-3-1

An ordinance authorizing the issuance of Six Million Five Hundred Thousand Dollars (\$6,500,000) of Public Improvement Sales Tax Revenue Bonds, Series 2010, of the Parish of St. Charles, State of Louisiana; prescribing the form, terms and conditions of such Bonds and providing for the payment thereof; 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 one-half of one percent (1/2%) sales and use tax, pursuant to elections held in the Issuer on April 7, 1979 and October 17, 1981, at which elections the following propositions were approved by a majority of the qualified electors voting at such elections, the proceeds of which tax may be funded into bonds for the purposes contained in said proposition, viz:

APRIL 7, 1979
PROPOSITION

"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 one-half of one percent (1/2%) 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-five (25) years from date thereof, to bear interest at a rate not exceeding eight per centum (8%) 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?"

OCTOBER 17, 1981
PROPOSITION

“Shall the Parish of St. Charles, State of Louisiana, be authorized to issue its sales tax revenue bonds authorized by special elections held in said Parish on April 7, 1979, and December 8, 1979, at a rate or rates not exceeding the maximum interest rate permitted by law and approved by the State Bond Commission?”

WHEREAS, pursuant to the authority of the aforesaid elections of April 7, 1979 and October 17, 1981, the governing authority of the Issuer adopted ordinances on May 7, 1979 and June 7, 1982, providing for the levy and collection of said 1/2% sales and use tax beginning June 1, 1979 (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 \$6,500,000 of Public Improvement Sales Tax Revenue Bonds, Series 2010, 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 Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:1430), and other constitutional and statutory authority, 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, paying the costs of issuance and establishing reserves; and

WHEREAS, based upon historical revenues the Issuer has received from the levy and collection of the one-half of one percent (1/2%) sales and use tax in the Issuer authorized at elections held therein on April 7, 1979 and October 17, 1981, it is reasonably anticipated that the Revenues of the Tax will be approximately \$7,400,000 annually, in the calendar year 2010 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, EXCEPT: the outstanding Public Improvement Sales Tax Refunding Bonds, Series 2002, maturing serially on November 1, 2010 (the "Outstanding Parity Bonds"); and

WHEREAS, under the terms and conditions of the ordinance adopted by the Issuer on January 24, 2002, authorizing the issuance of the Outstanding Parity Bonds (the "Outstanding Parity Bond Ordinance"), the Issuer has authority to issue additional bonds on a complete parity with the Outstanding Parity Bonds under the terms and conditions provided therein; and

WHEREAS, the United States of America, pursuant to the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code (the "Federal Act"), is authorized to make capitalization grants to states to be used for the purpose of establishing a water pollution control revolving fund for providing assistance (i) for construction of treatment works (as defined in Section 1292 of the Federal Act) which are publicly owned, (ii) for implementing a management program under Section 1329 of the Federal Act and (iii) for developing and implementing a conservation and management plan under Section 1330 of the Federal Act; and

WHEREAS, the State of Louisiana (the "State"), pursuant to Chapter 4, Subchapter II of Title 30 of the Louisiana Revised Statutes of 1950, as amended, specifically La. R.S. 30:2078, *et seq.* (the "State Act"), has established a Municipal Facilities Revolving Loan Fund in the custody of the Louisiana Department of Environmental Quality (the "State Revolving Fund") to be used for the purpose of providing financial assistance for the improvement of wastewater treatment facilities in the State, as more fully described in Section 2078(B)(2) of the State Act, and has authorized said Department (the "Department") to administer the State Revolving Fund in accordance with applicable federal and state law; and

WHEREAS, in accordance with Section 1383(g) of the Federal Act, the Department has established a priority list under Section 1296 of the Federal Act, and the Project is on such list; and

WHEREAS, the Department has approved the Issuer's application for a loan from the State Revolving Fund to finance the Project; and

WHEREAS, the Issuer has determined that all the terms and conditions specified in the Outstanding Parity Bond Ordinance have been or will be completed prior to the delivery of the Bonds, and it is the express desire and intention of the Issuer that the Bonds be issued on a complete parity with the Outstanding Parity Bonds; and

WHEREAS, the maturities on the hereinafter described Bonds and the Outstanding Parity 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 (2010) in which the Bonds are to be issued, and will provide a coverage of at least 20 times the highest annual debt service in any future calendar year on the Bonds being issued; 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 Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:1430), and other constitutional and statutory authority.

"Additional Parity Bonds" means any additional pari passu bonds which may hereafter be issued pursuant to Section 15 hereof on a parity with the Bonds.

"Bond" or **"Bonds"** means the Public Improvement Sales Tax Revenue Bonds, Series 2010, of the Issuer issued by this Bond Ordinance in the total aggregate principal amount of Six Million Five Hundred Thousand Dollars (\$6,500,000), 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 Ordinance" means this Ordinance authorizing the issuance of the Bonds.

"Bond Register" means the records kept by the Registrar (initially the Secretary of the Governing Authority) in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

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

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

"Completion Date" means the earlier of (i) the date of the final disbursement of the purchase price of the Bonds to the Issuer, or (ii) the date the operation of the Project is initiated or capable of being initiated, as certified by an Authorized Officer in accordance with the Loan Agreement.

"Delivery Date" means the date on which the Bonds are delivered to the Department and the first installment of the purchase price therefor is paid by the Department to the Issuer.

"Department" means the Louisiana Department of Environmental Quality, an executive department and agency of the State, and any successor to the duties and functions thereof.

"Executive Officers" means collectively the Parish President, Secretary and Director of Finance, 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.

"Interest Payment Date" means May 1 and November 1 of each year in which interest on the Bonds is payable, the first of which shall occur after the delivery of the Bonds to the Department and which shall occur semi-annually thereafter until the Bonds are paid in full.

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

"Loan Agreement" means the Loan and Pledge Agreement to be entered into by and between the Department and the Issuer prior to the delivery of the Bonds which will contain certain additional agreements relating to the Bonds and the Project, which Loan Agreement shall be in substantially the form attached as Exhibit B to this Ordinance.

"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 21 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.

"Outstanding Parity Bonds" shall mean the Issuer's outstanding Public Improvement Sales Tax Refunding Bonds, Series 2002 maturing serially on November 1, 2010 (the "Outstanding Parity Bonds").

"Outstanding Parity Bond Ordinance" shall mean the ordinance adopted by the Issuer on January 24, 2002, authorizing the issuance of the Outstanding Parity Bonds.

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

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

"Paying Agent" with respect to the Bonds means the Secretary of the Governing Authority, unless and until a successor Paying Agent shall have assumed such responsibilities.

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

"Principal Payment Date" means each annual payment date of principal of the Bond (November 1), with the first payment date to be not later than one year after the completion of the Project and the final payment date to fall not exceeding nineteen years from the first principal payment date thereafter for a total of twenty (20) consecutive annual payment dates, providing that in no event shall the final maturity of the Bonds be more than twenty-two (22) years from the Delivery Date.

"Project" means the acquisition and construction of extensions and improvements to the System, including appurtenant equipment, accessories and properties, both personal and real, being financed by the sale of the Bonds to the Department.

"Registrar" means the person designated in this Ordinance, unless and until a successor Registrar shall have assumed such responsibility pursuant to this Ordinance, and thereafter "Registrar" shall mean such successor Registrar.

"Reserve Fund Requirement" means, the highest combined principal and interest requirements in any succeeding calendar year on the Bonds, the Outstanding Parity Bonds and any additional pari passu bonds. After the Issuer's Outstanding Parity Bonds (Series 2002) have been discharged by payment or defeasance **"Reserve Fund Requirement"** shall mean as of any date of calculation, a sum equal to the lesser of (i) 10% of the proceeds of the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds payable from the Revenues of the Tax, (ii) the highest combined principal and interest requirements for any succeeding Bond Year on the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds payable from the Revenues of the Tax or (iii) 125% of the average aggregate amount of principal installments and interest becoming due in any Bond Year on the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds payable from the Revenues of the Tax.

"Revenues of the Tax" means the avails or proceeds of the one-half of one percent (1/2%) sales and use tax authorized at the elections held within the corporate boundaries of the Issuer on April 7, 1979 and October 17, 1981, after the reasonable and necessary expenses of the collection and administration thereof have been paid therefrom, 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 ordinances adopted by the St. Charles Parish Council, on May 7, 1979 and June 7, 1982, providing for the levy and collection of the Tax.

"Scheduled Completion Date" is the date designated as such in the Loan Agreement, regardless of whether or not such date precedes or follows the actual Completion Date.

"Tax" means the one-half of one percent (1/2%) sales and use tax authorized at the elections held within the corporate boundaries of the Issuer on April 7, 1979 and October 17, 1981.

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, and other constitutional and statutory authority, including the State Act, and having been authorized at elections held within the corporate boundaries of the Issuer on April 7, 1979 and October 17, 1981, there is hereby authorized the incurring of an indebtedness of Six Million Five Hundred Thousand Dollars (\$6,500,000) for, on behalf of and in the name of the Issuer, for the purposes set forth above, and to represent the indebtedness, this Governing Authority does hereby authorize the issuance of Six Million Five Hundred Thousand Dollars (\$6,500,000) of Public Improvement Sales Tax Revenue Bonds, Series 2010, of the Issuer, as stated above.. The Bonds shall be initially issued in the form of a single fully registered Bond numbered R-1 (or if in series as hereinafter provided, a single fully registered bond for each series, appropriately designated) shall be dated the date of delivery thereof and shall be in substantially the form attached hereto as Exhibit A.

The Bonds shall mature in twenty (20) installments of principal, payable annually on the Principal Payment Dates in compliance with the requirements of the Federal Act and the State Act that the first repayment of principal be not more than one year after the Completion Date. In no event shall the final maturity of the Bonds be more than twenty-two (22) years from the date of the delivery thereof to the Department.

The amount and dates of the principal installments of the Bonds shall be determined as of the date of delivery of the Bonds by the Executive Officers, in integral multiples of One

Thousand Dollars (\$1,000) or Five Thousand Dollars (\$5,000), so that the combined annual principal, interest and Administrative Fee on the Bonds from and after the Scheduled Completion Date shall be approximately equal. In the event that less than the authorized principal amount of the Bonds is purchased, then upon the payment of the final installment of the purchase price of the Bonds the schedule of principal payments shall be recalculated so that the actual amount of principal, interest and Administrative Fee due in each bond year are approximately equal and, to the extent feasible, the principal installments are in integral multiples of One Thousand Dollars (\$1,000) or Five Thousand Dollars (\$5,000).

The unpaid principal of the Bonds shall bear interest from the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of forty-five hundredths of one percent (.45%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve thirty-day months and payable on each Interest Payment Date. Interest on the Bonds on any Interest Payment Date shall be payable only on the aggregate amount of the purchase price which shall have been paid theretofore to the Issuer and is outstanding and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

In addition to interest at the rate set forth above, at any time that the Department owns the Bonds the Issuer will pay the Administrative Fee to the Department on each Interest Payment Date. In the event (i) the Department owns any Bonds or the Department has pledged or assigned any Bonds in connection with its Municipal Facilities Revolving Loan Fund and (ii) the Administrative Fee payable by the Issuer to the Department under the terms of the Loan Agreement is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the Bonds shall be increased by one-half of one

percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

SECTION 3. Manner of Payment. The principal and interest on the Bonds will be payable by check mailed to the Owner (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Registrar for such purpose, provided that payment of the final installment of principal on the Bonds shall be made only upon presentation and surrender of the Bonds to the Registrar.

SECTION 4. Registration. The Issuer shall cause the Bond Register to be kept at the principal office of the Registrar (initially the Secretary of the Issuer) in which registration of the Bonds and transfers of the Bonds shall be made as provided herein. The Bonds may be transferred, registered and assigned only on the Bond Register of the Registrar, and such registration shall be at the expense of the Issuer. The Bonds may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Registrar. A new Bond will be delivered by the Registrar to the last assignee (the new Owner) in exchange for such transferred and assigned Bond after receipt of the Bond to be transferred in proper form.

SECTION 5. Execution of Bonds and Documents. 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 Ordinance, to execute and deliver the Loan Agreement, to cause the necessary Bonds to be printed, to issue, execute and seal the Bonds and to effect delivery thereof as hereinafter provided. If facsimile signatures are used on the Bonds, then such signatures shall be registered with the Louisiana Secretary of State in the manner required by La. R.S. 39:244.

In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such additional documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Ordinance, the signatures of said persons on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 6. Sale and Delivery of Bonds. The Bonds are hereby awarded to and sold to the Department at a price of par plus accrued interest, if any, under the terms and conditions set forth in the Loan Agreement, and after their execution and authentication by the Registrar, the Bonds shall be delivered to the Department or its agents or assigns, upon receipt by the Issuer of the agreed first advance of the purchase price of the Bonds. It is understood that the purchase price of the Bonds will be paid by the Department to the Issuer in installments, in the manner and under the terms and conditions set forth in the Loan Agreement.

SECTION 7. Designation as Build America Bonds. The Bonds shall be and are hereby designated as "Build America Bonds (Direct Payment)" pursuant to Section 54AA of the Code. Interest on the Bonds shall not be excluded from gross income for federal income tax purposes, and the Issuer irrevocably elects to designate all of the Bonds as "Build America Bonds" under Section 54AA of the Code and specifically as "qualified bonds" within the meaning of Section 54AA(g) of the Code.

All of the proceeds of the Bonds, other than no more than 2% of such proceeds used to pay issuance costs, plus investment proceeds thereof, will be used for capital expenditures and the issue price of the Bonds has no premium over the stated principal amount. None of the

proceeds of the Bonds will be deposited to the Reserve Fund or to any other reasonably required reserve fund.

By this election, the Issuer will be entitled to a credit with respect to each interest payment as provided by Section 6431 of the Code equal to 35% of the interest payable under the Bonds on each Interest Payment Date. The Executive Officers are authorized and empowered to take any further action as may be necessary in order to qualify the Bonds as Build America Bonds (Direct Payment) under said Section 54AA and Section 6431 of the Code, including any necessary filings, agreements, forms (including IRS Form 8038-CP) or other documentation necessary to receive the 35% reimbursement described in said Sections. Should the Issuer or the Department determine that the use of any portion of the proceeds of the Series Bonds would not be allowable under ARRA, that portion may be issued as an additional series of the Series 2010A Bonds or added to the Series 2010B Bonds, or issued with such other designation as may be determined by the Executive Officers, which shall also be qualified "Build America Bonds (Direct Payment)" under this Section.

SECTION 8. Optional Prepayment of Bonds. The principal installments of the Bonds are subject to prepayment by the Issuer at any time, in whole or in part, in the inverse order of maturity, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date.

SECTION 9. Notice of Prepayment. Official notice of such call of any installment of the Bonds for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the Owner of the Bond to be prepaid at his address as shown on the registration records of the Registrar. In the event a portion of the Bond is to be prepaid, the Bond shall be surrendered to the Registrar, who shall note the date and amount of such prepayment in the space provided therefor on the Bond.

SECTION 10. 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 11. 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 12. Pledge of Tax Revenues. The Bonds shall be secured by and payable, equally with the Outstanding Parity Bonds, in principal and interest 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 and the Outstanding Parity 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. In compliance with the Tax Ordinance, all of the Revenues of the Tax shall be set aside in a separate fund, as provided in the Outstanding Parity Bond Ordinance and as herein provided, and shall be and remain pledged for the security and payment of the Bonds and the Outstanding Parity Bonds and any additional parity bonds issued pursuant to the Bond Ordinance in principal and interest and for all other payments provided for in this Bond Ordinance until the Bonds and the Outstanding Parity Bonds shall have been fully paid and discharged.

SECTION 13. 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 heretofore created and maintained with the regularly designated fiscal agent of the Issuer and known and designated as the "One-Half 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 and the Outstanding Parity Bonds, which Sales Tax Fund shall be administered and used in the following order of priority and for the following express purposes:

- (a) The maintenance of the "One-Half of One Percent Public Improvement Sales Tax Bond Sinking Fund" (the "Sinking Fund") established by the Outstanding Parity Bond Ordinance, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and the Outstanding Parity 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, the Issuer's existing obligation in connection with the Outstanding Parity Bonds, and with regard to the Bonds, a fractional amount of the principal or interest of the Bonds falling due on the next interest payment date and a fractional amount of the principal of the Bonds falling due on the next principal payment date, such fractions being equal to the number 1 divided by the number of months preceding such principal payment date or interest payment date or, as the case may be, so that by making equal monthly payments the Issuer will always provide the necessary sums required to be on hand on each interest and principal payment date, together with such additional proportionate sum as may be required so that sufficient moneys will be available in the Sinking Fund to pay said principal and interest as the same respectively become due. The Issuer shall make available from the Sinking Fund to the Paying Agent, at least ten (10) days in advance of the date of which each payment of principal, interest and Administrative Fee, if any,

falling due, funds sufficient to pay promptly the principal and interest so falling due on such date.

- (b) The maintenance of a "One-Half of One Percent Public Improvement Sales Tax Reserve Fund" (the "Reserve Fund") established by the Outstanding Parity Bond Ordinance, by transferring from the proceeds of the Bonds or from the Sales Tax Fund within a period of five years from the date of issuance 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 and the Outstanding Parity 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. Following the discharge of the Outstanding Parity Bonds by payment or defeasance, the Reserve Fund Requirement may be met by a sum equal to the lesser of (i) 10% of the proceeds of the Bonds, any Outstanding Parity Bonds and any issue of additional parity bonds, (ii) the highest combined principal and interest requirements for any succeeding Bond Year on the Bonds, any Outstanding Parity Bonds and any issue of additional parity bonds hereafter issued in the manner provided by Section 26 hereof, or (iii) 125% of the average aggregate amount of principal installments and interest becoming due in any Bond Year on the Bonds, any Outstanding Parity Bonds and any additional parity bonds.

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.

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 14. 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 and the Outstanding Parity 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 and the Outstanding Parity 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 and the Outstanding Parity 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 and the Outstanding Parity 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 15. 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 on a parity with the Outstanding Parity Bonds, subject only to the prior payment of the reasonable and necessary costs and expenses of administering and collecting the Tax.

SECTION 16. Tax Covenants. Although the Bonds are herein designated as "Build America Bonds (Direct Payment) pursuant to Section 54AA of the Code, 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 such that, but for said designation as Build America Bonds (Direct

Payment) under the Code, the interest on the Bonds would have been excluded from "gross income" 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 have otherwise caused the Bonds to be "arbitrage bonds" or would have resulted in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) 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 to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 17. 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 18. 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 19. 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 and the Outstanding Parity 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

(B) Additional bonds may also be issued on a parity with the Bonds and the Outstanding Parity Bonds if all of the following conditions are met:

- (a) The annual revenues derived by the Issuer from the Tax, including investment earnings on the Reserve Fund, for the calendar year immediately preceding the issuance of the additional bonds must have been not less than one and four tenths (1.4) times the highest combined principal and interest requirements for any succeeding calendar year period on all bonds then outstanding, including any pari passu additional bonds theretofore issued and then outstanding, and any other bonds or other obligations whatsoever then outstanding which are payable from the Tax (but not including bonds which have been refunded or provision otherwise made for their full payment and redemption) and the additional bonds so proposed to be issued;
- (b) The payments to be made into the various funds provided for in the Bond Ordinance must be current.
- (c) The existence of the facts required by paragraphs (a) and (b) above must be confirmed by the Finance Director of the Parish of St. Charles.
- (d) The Additional Parity Bonds must be payable as to principal on November 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 May 1st and November 1st of each year.
- (e) No Additional Parity Bonds may be issued should any event of default under the Bond Ordinance have occurred and be continuing.

SECTION 20. 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 any 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 any 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, if any, or the Owners of not less than 25% of the outstanding principal amount of the Bonds; 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 21. Supplemental Ordinances.

(a) 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:

- (i) 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;

(ii) 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;

(iii) 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;

(iv) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Bond Ordinance; or

(v) 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.

(b) 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 22. 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 13 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 23. 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 24. 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 25. Defeasance. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners, the principal (and redemption price) of and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the money, securities, and funds pledged under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners 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 Ordinance to the Issuer.

(b) 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 they have been defeased pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto. In the event of an advance refunding, the Issuer shall cause to be delivered to the Paying Agent a verification report of an independent nationally recognized certified public accountant.

SECTION 26. Issuance of Bonds; Application of Proceeds. All of the proceeds derived from the sale of the Bonds, which shall be paid in installments by the Department in the manner set forth in the Loan Agreement, shall be deposited by the Issuer in a Construction Fund (the "Construction Fund"). The funds in the Construction Fund shall be used solely for the purpose of paying Costs of the Project, in the manner set forth in the Loan Agreement. Any accrued interest and premium received upon the sale of the Bonds shall be deposited in the Debt Service Fund described in Section 13 hereof.

SECTION 27. Investment of Construction Fund. Moneys in the Construction Fund may be temporarily invested in the manner provided by Louisiana law. Said moneys shall be sacred funds and the Owners shall have a lien thereon until said funds are paid out as provided in the Loan Agreement and this Ordinance. Any investment earnings on moneys in the Construction Fund may be retained in the Construction Fund and applied for the purposes described in this Section, or may be transferred to the Debt Service Fund described in Section 13 hereof and applied to the payment of interest accruing on the Bonds during the period of construction of Project.

All moneys in the Construction Fund shall at all times be secured to the full extent thereof by the banks or trust companies holding such funds by direct obligations of the United States of America or the State of Louisiana having a market value not less than the amount of moneys then on deposit in said funds.

SECTION 28. "Disclosure Under SEC Rule 15c2-12". The Issuer is not required at this time to comply with the continuing disclosure requirements described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because:

- (a) the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities; and
- (b) the Bonds are in denominations of One Hundred Thousand Dollars (\$100,000) or more and are being sold to no more than three financial institutions or sophisticated investors which (i) have such knowledge and experience in financial and business matters that they are capable of evaluating the merits and risks of the prospective investment in the Bonds and (ii) are not purchasing said Bonds for more than one account or with a view to distributing same.

SECTION 29. Loan Agreement and Commitment Agreement. The Governing Authority recognizes that the Bonds will be sold to the Department pursuant to its Drinking Water Revolving Loan Fund Program. In connection with this sale, the Issuer and the Department will enter into the Loan Agreement presented by the Department to the Issuer pertaining to the Bonds and the Project, which Loan Agreement shall be substantially in the form attached as Exhibit B

hereto. The Executive Officers are hereby authorized to execute such Loan Agreement on behalf of and under the seal of the Issuer in substantially the form attached as Exhibit B hereto with such changes, additions and deletions as shall in the sole opinion of the Executive Officers, upon advice of Bond Counsel, be deemed, the form and contents of which Loan Agreement are hereby approved by this Governing Authority. So long as the Department owns any portion of the Bonds, then to the extent that any provision of this Ordinance is inconsistent with or contrary to any provision of the Loan Agreement, the applicable provision of the Loan Agreement shall control. As shall be provided in the Loan Agreement, the Issuer shall comply with certain provisions of the Loan Agreement, as specified therein, regardless of whether or not the Department is the owner and regardless of any prepayment or defeasance of the Bonds prior to their final stated maturity.

Should the Issuer issue Bonds purchased by the Department with ARRA Funds, the Executive Officers are further authorized to execute and deliver any supplemental loan agreement and cooperative endeavor agreement as may be necessary in connection with the requirements of ARRA or any additional subsidization offered by the Department pursuant to ARRA.

With the advice of Bond Counsel, the Executive Officers are further authorized and directed to execute on behalf of the Issuer a Commitment Agreement by and between the Department and the Issuer which the Department may require as a prerequisite to the execution of the Loan Agreement, said Commitment Agreement to be substantially in the form of the Commitment Agreement on file with the Secretary of the Issuer.

SECTION 30. Registrar. The Issuer will at all times maintain a Registrar for the performance of the duties hereunder. The initial Registrar pursuant to this Ordinance is the Secretary of the Governing Authority. This Governing Authority reserves the right to appoint a

successor Registrar by (1) filing with the person then performing such function a certified copy of an ordinance appointing a successor and (2) causing notice to be given to each Owner. Every successor Registrar shall at all times be a corporation 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. In appointing a successor Registrar, this Governing Authority will authorize the Executive Officers to execute an appropriate agreement with the successor Registrar or and on behalf of the Issuer in such form as may be satisfactory to the Executive Officers, setting forth the duties and obligations of the successor Registrar.

SECTION 31. Davis-Bacon Wage Rate Requirements. The Issuer agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the Project that is funded in whole or in part with the Bonds shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Issuer as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Issuer will ensure that all construction contracts relating to the portion of the Project that is funded in whole or in part with Bonds will require that the contractor comply with the aforesaid wage and reporting requirements. This section shall not apply to "force account" work where the Issuer may perform construction work using its own employees rather than any contractor or subcontractor.

SECTION 32. 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 33. 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 34. 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 35. Employment. Foley & Judell, L.L.P., Bond Counsel of New Orleans, Louisiana, is hereby requested to do and perform comprehensive legal and coordinate professional work with respect to the issuance of the Bonds. Said special 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 the Bonds, shall counsel and advise this

Governing Authority as to the issuance and sale of the Bonds, and shall furnish their opinion covering the legality of the issuance thereof. The fee of special Bond Counsel in connection with the issuance of the Bonds is hereby fixed at a sum not to exceed that permitted by the Attorney General's fee schedule for each issue or series of revenue bonds based on the principal amount of the Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses; provided, however, that said fee shall be contingent upon the sale, issuance and delivery of the Bonds.

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 as required by law.

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.

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

YEAS: AUTHEMENT, RAYMOND, TASTET, BENEDETTO, HOGAN,
 COCHRAN, LAMBERT, NUSS

NAYS: NONE

ABSENT: SCHEXNAYDRE

And the ordinance was declared adopted on this, the 1st day of March, 2010.

CHAIRMAN: Billy Raymond, SR.
SECRETARY: Barbara Jane Tucker
DLVD/PARISH PRESIDENT: March 2, 2010
APPROVED: ✓ DISAPPROVED: _____
PARISH PRESIDENT: W. H. H.
RETD/SECRETARY: March 2, 2010
AT: 1:10 pm RECD BY: Bjt