

2002-0004

INTRODUCED BY: ALBERT LAQUE, PARISH PRESIDENT

ORDINANCE NO. 02-1-14

An ordinance providing for the issuance and sale of Nine Million Five Hundred Forty-Five Thousand (\$9,545,000) of Public Improvement Sales Tax Refunding Bonds, Series 2002 (the "Bonds"), of the Parish of St. Charles, State of Louisiana; providing for the sale and issuance of the Bonds, pursuant to the aforesaid bond ordinances; accepting the proposal of Morgan Keegan & Company, Inc. for the purchase of said Bonds; fixing certain details of the Bonds, approving the Official Statement; and providing for other matters in connection therewith.

WHEREAS, the St. Charles Parish Council (the "Governing Authority"), acting as the governing authority of the Parish of St. Charles, State of Louisiana (the "Issuer"), adopted Ordinance No. 91-6-10 on June 10, 1991 authorizing the issuance of Seven Million Five Hundred Five Thousand Dollars (\$7,505,000) of Public Improvement Sales Tax Refunding Bonds, Series 1991 (the "Series 1991 Bonds"), payable from a pledge and dedication of a 3/8% sales and use tax approved at an election held on April 30, 1983, and Basic Bond Ordinance No. 92-4-4 on April 6, 1992 and Supplement Bond Ordinance No. 92-6-8 on June 8, 1992 (collectively, the "Bond Ordinances"), authorizing the issuance of Nine Million Six Hundred Sixty Thousand Dollars (\$9,660,000) of Public Improvement Sales Tax Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), payable from a pledge and dedication of a 1/2% sales and use tax approved at an election held on April 7, 1979 (the "Tax"); and

WHEREAS, the Issuer has found and determined that the refunding of \$2,415,000 of the Series 1991 Bonds, consisting of those Series 1991 Bonds which mature December 1, 2002 to December 1, 2004, inclusive, and \$7,475,000 of the Series 1992 Bonds, consisting of those Series 1992 Bonds which mature November 1, 2002 to November 1, 2010, inclusive (collectively, the "Refunded Bonds"), would be financially advantageous to the Issuer; and

WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, the Issuer desires by this ordinance to provide for the issuance and sale of Nine Million Five Hundred Forty-Five Thousand (\$9,545,000) principal amount of its public improvement sales tax refunding bonds, to be designated "Public Improvement Sales Tax Refunding Bonds, Series 2002" (the "Bonds"), for the purpose of refunding the Refunded Bonds and paying the costs of issuance therefor, and to specify the terms and conditions of the Bonds; and

WHEREAS, this Parish Council has determined that all terms and conditions specified in Ordinance No. 93-11-9 have been or will be complied with prior to the delivery of the Bonds herein authorized and it is the express desire and intent of this Parish Council that the Bonds herein authorized be issued on a complete parity with the Outstanding Public Improvement Sales Tax Refunding Bonds, Series 1993; and

WHEREAS, it is the intention of the Issuer that the Bonds authorized herein be secured by and payable from the Tax on a parity with the Issuer's Public Improvement Sales Tax Refunding Bonds, Series 1993; and

WHEREAS, in connection with the issuance of the Bonds, it is necessary that provision be made for the payment of the principal, interest and redemption premium, of the Refunded Bonds described in Exhibit A hereto, and to provide for the call for redemption of the Refunded Bonds, pursuant to a Notice of Call for Redemption; and

WHEREAS, this Governing Authority finds and determines that the acquisition of bond insurance will benefit the financed programs and the Issuer; and

WHEREAS, this Governing Authority has determined that all of the terms and conditions specified in the Bond Ordinances have been or will be complied with prior to the delivery of the Bonds; and

WHEREAS, the Louisiana State Bond Commission has approved the sale and issuance of the Bonds;

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:

ARTICLE 1.

DEFINITIONS AND INTERPRETATION

SECTION 1. Definitions. The following terms shall have the following meanings unless the context otherwise requires:

"Act" shall mean Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other applicable constitutional and statutory authority.

"Additional Parity Bonds" shall mean any additional pari passu bonds which may hereafter be issued pursuant to Section 8.1 hercof on a parity with the Bonds and the Outstanding Parity Bonds.

"Bond" or "Bonds" shall mean any or all of the Public Improvement Sales Tax Refunding Bonds, Series 2002, of the Issuer, issued pursuant to the Bond Ordinance, as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

"**Bond Counsel**" shall mean an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

"**Bond Obligation**" shall mean, as of the date of computation, the principal amount of the Bonds then Outstanding.

"**Bond Ordinance**" shall mean this ordinance, as further amended and supplemented as herein provided.

"**Business Day**" shall mean a day of the year other than a day on which banks located in the city in which the principal offices of the Paying Agent is located, is required or authorized to remain closed and on which the New York Stock Exchange is closed.

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

"**Costs of Issuance**" shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, if paid by the Issuer, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of Bonds.

"**Debt Service**" for any period shall mean, as of the date of calculation, an amount equal to the sum of (i) interest payable during such period on Bonds and (ii) the principal amount of Bonds which mature during such period.

"**Defeasance Obligations**" shall mean cash, or non-callable Government Securities.

"**Executive Officers**" shall mean collectively the Parish President and Secretary to the St. Charles Parish Council.

"**Fiscal Year**" shall mean 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**" shall mean the St. Charles Parish Council, or its successor in function.

"**Government Securities**" shall mean direct general obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

"**Insurer**" shall mean MBIA Insurance Corporation.

"**Interest Payment Date**" shall mean May 1 and November 1 of each year, commencing May 1, 2002.

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

"**Municipal Bond Insurance Policy**" shall mean the municipal bond insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Bonds as provided therein.

"**Net Revenues of the Tax**" shall mean the avails or proceeds of the Tax received by the Issuer, after provision has been made for the payment therefrom of all of the reasonable and necessary costs and expenses of collecting the Tax.

"**Outstanding**", when used with reference to the Bonds, shall mean, as of any date, all Bonds theretofore issued under the Bond Ordinance, except:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds with the effect specified in this Bond Ordinance, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to the 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 the Bond Ordinance; and

(d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Bond Ordinance or by law.

"**Outstanding Parity Bonds**" shall mean the Issuer's Public Improvement Sales Tax Refunding Bonds, Series 1993, maturing November 1, 2002 through 2005, inclusive.

"**Owner**" shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent. Notwithstanding any provision of this Bond Ordinance to the contrary, the Insurer shall, at all times, be deemed an owner of all the bonds for the purposes of consenting to any resolution supplementing or amending this Bond Ordinance, and shall be notified in advance of the adoption of any resolution supplemental or amendatory hereto whether or not the consent of the Owners is required.

"**Paying Agent**" shall mean Hancock Bank of Louisiana (Trust Division), in the City of Baton Rouge, Louisiana, as paying agent and registrar hereunder, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.

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

"**Record Date**" shall mean, with respect to an Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a Business Day.

"**Redemption Price**" shall mean, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Bond Ordinance.

"**Refunded Bonds**" shall mean the Issuer's outstanding (i) Public Improvement Sales Tax Refunding Bonds, Series 1991, maturing December 1, 2002 to December 1, 2004, inclusive and (ii) Public Improvement Sales Tax Refunding Bonds, Series 1992, maturing November 1, 2002 to November 1, 2010, inclusive.

"**Reserve Fund Requirement**" shall mean the highest combined principal and interest requirements in any succeeding calendar year on the Bonds and such additional *pari passu* bonds.

"**State**" shall mean the State of Louisiana.

"**Tax**" means the 1/2% sales and use tax now being levied and collected by the Issuer pursuant to an election held on April 7, 1979.

"**Tax Ordinance**" means an Ordinance adopted by the Governing Authority on May 7, 1979, effective from June 1, 1979.

"**Underwriter**" shall mean Morgan Keegan & Company, Inc., of New Orleans, Louisiana.

SECTION 1.2 Interpretation. In this Bond Ordinance, unless the context otherwise requires, (a) words importing the singular include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and (c) the title of the offices used in this Bond Ordinance shall be deemed to include any other title by which such office shall be known under any subsequently adopted charter.

ARTICLE 2.

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.1 Authorization of Bonds. (a) This Bond Ordinance creates a series of Bonds of the Issuer to be designated "Public Improvement Sales Tax Refunding Bonds, Series 2002, of the Parish of St. Charles, State of Louisiana" and provides for the full and final payment of the principal or redemption price of and interest on all of the Bonds.

(b) The Bonds issued under this Bond Ordinance shall be issued for the purpose of refunding the Refunded Bonds, together with other available moneys of the Issuer, in order to provide for the payment of the principal of, premium, if any, and interest on the Refunded Bonds as they mature.

(c) Provision having been made for the orderly payment until maturity or earlier redemption of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Bonds under this Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer incidental to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds

(d) The Issuer does hereby find that since substantial benefits will accrue from the insurance of the Bonds, the Bonds are being insured by the Insurer and an appropriate legend shall be printed on the Bonds as evidence of such insurance.

SECTION 2.2 Bond Ordinance to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of this Bond Ordinance shall be a part of the contract of the Issuer with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, each of which Bonds, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Bond Ordinance.

SECTION 2.3 Obligation of Bonds. The Bonds, together and on a parity with the Outstanding Parity Bonds, shall be secured by and payable in principal, premium, if any, and interest solely from an irrevocable pledge and dedication of the Net Revenues of the Tax. The Net 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, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Net Revenues of the Tax shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds issued pursuant to Section 8.1 hereof, in principal, premium, if any, and interest and for all other payments provided for in this Bond Ordinance until such bonds shall have been fully paid and discharged.

SECTION 2.4 Authorization and Designation. Pursuant to the provisions of the Act, there is hereby authorized the issuance of Nine Million Five Hundred Forty-Five Thousand (\$9,545,000) principal amount of Bonds of the Issuer to be designated "Public Improvement Sales Tax Refunding Bonds, Series 2002, of the Parish of St. Charles, State of Louisiana," for the purpose of refunding the Refunded Bonds. The Bonds shall be in substantially the form set forth in Exhibit B hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

SECTION 2.5 Denominations, Dates, Maturities and Interest. The Bonds are issuable as fully registered bonds without coupons in the denominations of \$5,000 principal amount or any integral multiple thereof within a single maturity, and shall be numbered R-1 upwards.

The Bonds shall be dated March 1, 2002, shall mature on November 1 in the years and in the principal amounts and shall bear interest, payable on the Interest Payment Dates, at the rates per annum, as follows:

<u>DATE</u> <u>(NOV. 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>	<u>DATE</u> <u>(NOV. 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2002	\$555,000	3.00%	2007	\$1,005,000	4.00
2003	1,335,000	5.00	2008	1,050,000	4.00
2004	1,400,000	3.00	2009	1,100,000	4.25
2005	980,000	3.25	2010	1,145,000	4.25
2006	975,000	3.50			

SECTION 2.6 Payment of Principal and Interest. The principal and premium, if any, of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to each Owner (determined as of the close of business on the applicable Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose. Except as otherwise provided in this Section, Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date. The Person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

ARTICLE 3.

GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 3.1 Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer, the Insurer or by the Owners (or a designated representative thereof) of 15% of the

outstanding principal amount of the Bonds. Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denomination of the same maturity and like aggregate principal amount. At the option of the Owner, Bonds may be exchanged for other Bonds of authorized denominations of the same maturity and like aggregate principal amount, upon surrender of the Bonds to be exchanged at the principal corporate trust office of the Paying Agent. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor the Bond or Bonds which the Owner making the exchange shall be entitled to receive. All Bonds presented for registration of transfer or exchange shall be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in writing.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Bond Ordinance as the Bonds surrendered. Prior to due presentment for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent of the Issuer or the Paying Agent may deem and treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

No service charge to the Owners shall be made by the Paying Agent for any exchange or registration of transfer of Bonds. The Paying Agent may require payment by the Person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Issuer and the Paying Agent shall not be required (a) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business on the 15th calendar day of the month next preceding an Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) to register the transfer of or exchange any Bond so selected for redemption in whole or in part.

SECTION 3.2 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt a resolution or ordinance and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) compliance with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 3.4 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof. Any such duplicate Bond issued pursuant to this Section shall constitute an original, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects identical with those replaced except that it shall bear on its

face the following additional clause: "This bond is issued to replace a lost, cancelled or destroyed bond under the authority of R.S. 39:971 through 39:974."

Such duplicate Bond may be signed by the facsimile signatures of the same officers who signed the original Bonds, provided, however, that in the event the officers who executed the original Bonds are no longer in office, then the new Bonds may be signed by the officers then in office. Such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source and security for payment as provided herein with respect to all other Bonds hereunder, the obligations of the Issuer upon the duplicate Bonds being identical to its obligations upon the original Bonds and the rights of the Owner of the duplicate Bonds being the same as those conferred by the original Bonds.

SECTION 3.3 Preparation of Definitive Bonds, Temporary Bonds. Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 3.5, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations, one or more temporary typewritten Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds.

SECTION 3.4 Cancellation of Bonds. All Bonds paid or redeemed either at or before maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Secretary of the Governing Authority an appropriate certificate of cancellation.

SECTION 3.5 Execution. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signatures of the Executive Officers of the Issuer, and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

SECTION 3.6 Registration by Paying Agent and Secretary of State. (a) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth in Exhibit B hereto shall have been duly manually executed on behalf of the Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Bond Ordinance.

(b) The Bonds shall also be registered with the Secretary of State of the State of Louisiana (which registration shall be by manual signature on the bonds issued upon original issuance of the Bonds and by facsimile signature on Bonds exchanged therefor) and shall have endorsed thereon the following:

"OFFICE OF SECRETARY OF STATE
STATE OF LOUISIANA
BATON ROUGE

Incontestable. Secured by a pledge and dedication of a sales and use tax in the Parish of St. Charles, State of Louisiana. Registered this _____ day of _____, 2002.

Secretary of State"

SECTION 3.7 Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of 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."

ARTICLE 4.

PAYMENT OF BONDS; DISPOSITION OF FUNDS

SECTION 4.1 Deposit of Funds With Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from the moneys derived from the Net Revenues of the Tax or other funds available for such purpose, at least five (5) days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal, premium, if any, and interest so falling due on such date.

SECTION 4.2 Issuer Obligated to Collect Tax. In compliance with the laws of Louisiana, the Issuer, through its governing authority, by proper ordinances and/or resolutions, is obligated to cause the Tax to continue to be levied and collected until all of the Bonds have been retired as to both principal and interest, and further shall not 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 retired as to both principal and interest.

SECTION 4.3 Funds and Accounts. 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 derived from the levy and collection 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 maintained with the regularly designated fiscal agent of the Issuer and designated as the "One-Half of One Percent Sales Tax Fund" (hereinafter called 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 proceeds of the Tax 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 propositions authorizing the levy of the Tax, including the payment of Bonds, which Sales Tax Fund shall be administered and used in the following order of priority and for the following express purposes:

- (a) The maintenance of the "One-Half of One Percent Public Improvement Sales Tax Bond Sinking Fund" (hereinafter called the "Sinking Fund"), sufficient in amount to pay promptly and fully the principal of and interest on the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds, in the manner provided by this Bond Ordinance, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, monthly, in advance 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 from the period March 1, 2002 to May 1, 2002, a sum equal to one-half ($1/2$) of the interest falling due on May 1, 2002, and one-eighth ($1/8$) of the principal falling due on November 1, 2002, from the period from May 1, 2002 to November 1, 2002, a sum equal to one-sixth ($1/6$) of the interest and one-twelfth ($1/12$) of the principal falling due on November 1, 2002 and thereafter, a sum equal to one-sixth ($1/6$) of the interest falling due on the next Interest Payment Date on the Bonds, the Outstanding Parity Bonds and any additional pari passu bonds, and one-twelfth ($1/12$) of the principal falling due on the next principal payment date on the Bonds, the Outstanding Parity Bonds, and any Additional Parity Bonds, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The regularly designated fiscal agent of the Issuer shall transfer from the Sinking Fund to the paying agent bank or banks for all bonds payable from the Sinking Fund, at least five (5) days in advance of the date on which payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on each such date.
- (b) The maintenance of the "One-Half of One Percent Public Improvement Sales Tax Reserve Fund" (hereinafter called the "Reserve Fund") by retaining the Reserve Fund Requirement in the Reserve Fund from moneys on deposit therein. The sums on deposit in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the bonds payable from the Sinking Fund as to which there would otherwise be a default. In the event

that Additional Parity Bonds are issued hereafter in the manner provided by this ordinance, there shall be transferred monthly or annually from said Sales Tax Fund into said Reserve Fund or capitalized and paid from the proceeds of such additional pari passu 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 said Reserve Fund within a period not exceeding five (5) years to a sum equal to the Reserve Fund Requirement.

If at any time it shall be necessary to use moneys in the Reserve Fund for the purpose of paying principal or interest on bonds as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received by the Sales Tax Fund, not hereinabove required to pay the expenses of collecting the Tax or to pay current principal and interest requirements, it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund the amount hereinabove specified.

All 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 as surplus. Such surplus may be used by the Issuer for any of the purposes for which the imposition of the Tax is 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 redemption prices of said Bonds or by retiring such Bonds at the prices and in the manner hereinbefore set forth in this Bond Ordinance.

SECTION 4.4 Investment of Funds. All or any part of the moneys in the Reserve Fund shall, at the written request of the Issuer, be invested in Government Securities maturing in fifteen (15) years or less, in which event all income derived from such investments shall be added to the Sinking Fund and credited as part of payments herein required, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Sales Tax Fund is herein created. Income on investments in the Reserve Fund shall be added to the Sales Tax Fund only to the extent that such income exceeds the amount required to be on deposit in the Reserve Fund.

SECTION 4.5 Funds to Constitute Trust Funds. The Sales Tax Fund, the Sinking Fund, and the Reserve Fund provided for in Section 4.3 hereof shall all be and constitute trust funds for the purposes provided in this Bond Ordinance, and the Owners of Bonds issued pursuant to this Bond Ordinance 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 in the manner required by the laws of the State.

SECTION 4.6 Method of Valuation and Frequency of Valuation. In computing the amount in any fund provided for in Section 4.3, Government Securities shall be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to all funds and accounts

(except the Reserve Fund), valuation shall occur annually. The Reserve Fund shall be valued semi-annually, except in the event of a withdrawal from the Reserve Fund, whereupon it shall be valued immediately after such withdrawal.

ARTICLE 5.

REDEMPTION OF BONDS

SECTION 5.1 Redemption of Bonds. The Bonds are not callable for redemption prior to their stated maturities.

ARTICLE 6.

PARTICULAR COVENANTS

SECTION 6.1 Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal or redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

SECTION 6.2 Tax Covenants. (a) To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from "gross income" of interest on the bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it 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 to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or would result in the inclusion of the interest on any Bond in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of the proceeds of the Bonds, (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" under the Code.

(b) The Issuer shall not permit at any time or times any proceeds of the Bonds or any other funds of the Issuer to be used, directly or indirectly, in a manner which would result in the exclusion of the interest on any Bond from the treatment afforded by Section 103(a) of the Code, as from time to time amended, or any successor provision thereto.

SECTION 6.3 Obligation to Collect Tax. The Issuer recognizes that the governing authority of the Issuer is bound under the terms and provisions of law, to levy, impose, enforce and collect the Tax and to provide for all reasonable and necessary rules, regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds have been retired as to both principal and interest. Nothing herein contained shall be construed to prevent the governing authority of the Issuer from altering, amending or repealing from time to time as may be necessary the ordinances adopted providing for the levying, imposition, enforcement and collection of the Tax or any subsequent ordinance providing therefor, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the revenues from the Tax. The ordinances imposing the Tax and

pursuant to which the Tax are being levied, collected and allocated, and the obligation to continue to levy, collect and allocate the Tax and to apply the revenues therefrom in accordance with the provisions of this Bond Ordinance, shall be irrevocable until the Bonds have been paid in full as to both principal and interest, and shall not be subject to amendment 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, or the Issuer may discontinue or decrease the Tax or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, or in any way make any change in such Tax which would diminish the amount of the sales tax revenues to be received by the Issuer, until all of such Bonds shall have been retired as to both principal and interest.

SECTION 6.4 Indemnity Bonds. 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, 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.

SECTION 6.5 Issuer to Maintain Books and Records. 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 three (3) 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 aforesaid Sales Tax Fund. Such audit shall be available for inspection upon request by the Owners of any of the Bonds and the Insurer. The Issuer further agrees that the Paying Agent, the Insurer 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.

ARTICLE 7.

SUPPLEMENTAL BOND ORDINANCES

SECTION 7.1 Supplemental Ordinances Effective Without Consent of Owners. For any one or more of the following purposes and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent and the Insurer of a certified copy thereof, but without any consent of Owners, shall be fully effective in accordance with its terms:

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

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

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

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

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

Notwithstanding the foregoing, no amendment provided for in (b) above or any provision of the Bond Ordinance expressly recognizing or granting rights in or to the Insurer may be amended in any manner which affects the rights of the Insurer under the Bond Ordinance without the prior written consent of the Insurer.

SECTION 7.2 Supplemental Ordinances Effective With Consent of Owners. Except as provided in Section 7.1 any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Bond Obligation 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 percentages 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 herein, without the 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. For the purposes of this Section, 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 said Bonds. The consent of the Insurer shall be required in addition to the consent of the Owners, when required, for the adoption of any supplemental ordinance. A supplemental ordinance, upon the filing with the Paying Agent of a certified copy thereof, shall become fully effective in accordance with its terms.

ARTICLE 8.

ADDITIONAL PARITY BONDS

SECTION 8.1 Issuance of Additional Parity Bonds. All of the Bonds shall enjoy complete parity of lien on the avails or proceeds 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 avails or proceeds of the Tax having priority over or parity with the Bonds, except that bonds may hereafter be issued on a parity with the Bonds under the following conditions:

(A) The Bonds or any part thereof, including interest and redemption premiums thereon, may be refunded with the consent of the owners thereof (except that as to Bonds which have been properly called to redemption and provisions made for the payment thereof, such consent shall not be necessary) 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 that may have been enjoyed by the Bonds refunded, provided, however, that if only a portion of Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any Fiscal Year in excess of the principal and interest which would have been required in such Fiscal Year to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds issued hereunder.

(B) Additional Parity Bonds, including any other pari passu additional bonds as may at any later date be authorized at an election held by the Issuer or otherwise, may also be issued, and such Additional Parity Bonds shall be on a parity with the Bonds herein authorized if all of the following conditions are met:

- (a) The average 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 Section 4.3 hereof must be current;
- (c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to 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 Parity Bonds and payable as to interest on May 1st and November 1st of each year; and
- (e) The Insurer must be notified of the issuance of such Additional Parity Bonds and provided with a copy of the disclosure document, if any, circulated with

respect to such Additional Parity Bonds, on or before the delivery date thereof.

ARTICLE 9.

REMEDIES ON DEFAULT

SECTION 9.1 Events of Default. If one or more of the following events (in this Bond Ordinance called "Events of Default") shall happen, that is to say, 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; or 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; or 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 contained and such default shall continue for a period of thirty (30) days after written notice thereof to the Issuer by the Insurer or the Owners of not less than 25% of the Bond Obligation (as defined in the Ordinance); or 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 and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law; provided, however, the Insurer shall have the exclusive right to direct any action or remedy to be undertaken. The Issuer shall notify the Insurer immediately upon the occurrence of any Event of Default. No Event of Default shall be waived without the consent of the Insurer.

ARTICLE 10.

CONCERNING FIDUCIARIES

SECTION 10.1 Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Bond Ordinance. The designation of Hancock Bank of Louisiana (Trust Division), in the City of Baton Rouge, Louisiana, as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Ordinance by executing and delivering an acceptance of its rights, duties and obligations as Paying Agent set forth herein in form and substance satisfactory to the Issuer.

SECTION 10.2 Successor Paying Agent. Any successor Paying Agent shall (i) be a trust company or bank in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, (ii) have a reported capital and surplus of not less than \$10,000,000 and (iii) be approved by the Insurer.

ARTICLE 11.

MISCELLANEOUS

SECTION 11.1 Defeasance. (a) If the Issuer shall pay or cause to be paid to the Owners of all Bonds then outstanding, the principal and interest and redemption premium, if any, to become due thereon, and any amounts which may be then payable by the Issuer with respect to the Bonds to the Insurer, at the times and in the manner stipulated therein and in the Bond Ordinance, then the covenants, agreements and other obligations of the Issuer to the Owners and to the Insurer shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Bond Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Bonds or interest installments for the payment or redemption of which Defeasance Obligations shall have been set aside and shall be held in trust by the Paying Agent or an escrow agent (through deposit by the Issuer of funds for such payment or redemption or otherwise) at a maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Any Bond shall, prior to maturity or the redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if in case such Bond is to be redeemed on any date prior to its maturity, the Issuer shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption as provided in Article 5 of this Bond Ordinance, there shall have been deposited with the Paying Agent or an escrow agent Defeasance Obligations, in the amounts and having such terms as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or applicable redemption price thereof, together with all accrued interest and the adequacy of the Defeasance Obligations so deposited to pay when due the principal or applicable redemption price and all accrued interest shall have been verified by an independent certified public accountant. Neither Defeasance Obligations deposited pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest to become due on the Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations shall, if permitted by the Code, and to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

SECTION 11.2 Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, or the ownership by any person of the Bonds shall be sufficient for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in the following

manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

- (1) the fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority;
- (2) the ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books of the Paying Agent.

(b) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Paying Agent in accordance therewith.

SECTION 11.3 Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

SECTION 11.4 Parties Interested Herein. Nothing in the Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Insurer, the Paying Agent and the Owners of the Bonds any right, remedy or claim under or by reason of the Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Bond Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Insurer, the Paying Agent and the Owners of the Bonds.

SECTION 11.5 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION 11.6 Successors and Assigns. Whenever in this Bond Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Bond Ordinance contained by or on behalf of the Issuer shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

SECTION 11.7 Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or

Owners thereof or the Insurer shall be subrogated to all the rights and remedies against the Issuer had and possessed by the owner or owners of the Refunded Bonds.

SECTION 11.8 Severability. In case any one or more of the provisions of the 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 the Bond Ordinance or of the Bonds, but the 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 the Bond Ordinance which validates or makes legal any provision of the Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to the Bond Ordinance and to the Bonds.

SECTION 11.9 Publication of Bond Ordinance; Peremption. This Bond Ordinance shall be published one time in the official journal of the Issuer; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication. For thirty (30) days after the date of publication, any person in interest may contest the legality of this Bond Ordinance, any provision of the Bonds, the provisions therein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of the Bond Ordinance, any provisions of the Bonds to be issued pursuant hereto, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

SECTION 11.10 Execution of Documents. 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 documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 11.11 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 11.12 Employment of Bond Counsel. It is recognized by this Governing Authority that a real necessity exists for the employment of special bond counsel in connection with the issuance of the Bonds and accordingly the employment of Foley & Judell, L.L.P., of New Orleans, Louisiana, as special bond counsel to the Issuer to do and perform comprehensive legal and co-ordinate professional work with respect to the issuance and sale of the Bonds, is hereby ratified and confirmed. The fees to be paid said attorneys shall be in accordance with the Attorney General's Guidelines for Fees and Services of Bond Attorneys, particularly Article III(B)(5) thereof, which fee for special bond counsel shall not exceed the amount calculated in accordance with the Attorney General's Guidelines for Comprehensive Legal Services in the issuance of revenue bonds, plus out-of-pocket expenses incurred in connection with the issuance of the Bonds. The fees herein

described shall be payable directly to special bond counsel by the Director of Finance of the Issuer from the funds derived from the sale of said Bonds. Bond Counsel shall also assist in the preparation of an Official Statement containing detailed and comprehensive financial and statistical data required with respect to the sale of the Bonds and the costs of the preparation, printing and distribution of such official statement shall be paid from the proceeds of the Bonds. Said Official Statement may be submitted to such nationally recognized bond rating service or services as may be recommended by bond counsel, together with a request that an appropriate rating be assigned. A certified copy of this Bond 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.

It is further found that a real necessity exists for the further employment of Foley & Judell, L.L.P. in connection with continuing matters regarding disclosure (and arbitrage rebatc). Said attorneys are hereby employed at a rate of \$165 per hour for attorneys and \$50 for legal assistants, plus out of pocket expenses for such work as may be requested by the Parish President, his directors or the Council in connection with such matters.

SECTION 11.13 Approval of Attorney General. A certified copy of this Bond Ordinance shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fee herein designated, and the Director of Finance is hereby empowered and directed to issue a voucher to a said special counsel in payment of the fee herein provided for under the conditions herein enumerated.

SECTION 11.14 Continuing Disclosure. Pursuant to the SEC Continuing Disclosure Rules, the Issuer covenants and agrees for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of the events enumerated in Section (b)(5)(I)(C) of the SEC Continuing Disclosure Rules, if material. The Annual Report will be filed by the Issuer with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR"), and with the Louisiana State Information Depository ("Louisiana SID"), if any. Any notices of material events shall be filed with each NRMSIR or with the Municipal Securities Rulemaking Board ("MSRB"), and with the Louisiana SID, if any. The specific nature of the information to be contained in the Annual Report or the notice of material events shall be as more fully set forth in the Continuing Disclosure Certificate as set forth in the Official Statement as Appendix H, as the same may be amended from time to time in accordance with its terms. Failure to comply with the SEC Continuing Disclosure Rules shall not constitute an "event of default" under Section 9.1 of this Ordinance, however any of the Owners of the Bonds may take such action or exercise such remedies as may be provided by law to enforce the obligations of the Issuer under the Continuing Disclosure Certificate.

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section, including, without limitation, the Continuing Disclosure Certificate in substantially the form as set forth in the official statement.

ARTICLE 12.

SALE OF BONDS; APPLICATION OF PROCEEDS

SECTION 12.1 Sale of Bonds. The Bonds are hereby awarded to and sold to the Underwriter at a price of \$9,258,187.50 [representing the par amount of the Bonds (\$9,545,000), minus original issue discount of \$146,362.50, minus Underwriters' Discount (1.0%) of \$95,450.00, minus the cost of the *Municipal Bond Insurance Policy* of \$45,000.00, which will be paid by the Purchaser directly to the Insurer on behalf of the Issuer), plus accrued interest, and under the terms and conditions set forth in the Bond Purchase Agreement (hereinafter defined), and after their execution, registration by the Secretary of State and authentication by the Paying Agent, the Bonds shall be delivered to the Underwriter or their agents or assigns, upon receipt by the Issuer of the agreed purchase price. The Bond Purchase Agreement dated January 24, 2002, in substantially the form attached hereto as Exhibit C is hereby approved and the Executive Officers are hereby authorized, empowered and directed to execute the Bond Purchase Agreement on behalf of the Issuer and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by them necessary or advisable to implement the Bond Ordinance or to facilitate the sale of the Bonds.

SECTION 12.2 Official Statement. The Issuer hereby approves the form and content of the Preliminary Official Statement dated January 24, 2002, pertaining to the Bonds, as submitted to the Issuer, and hereby ratifies its prior use in connection with the sale of the Bonds. The Issuer further approves the form and content of the final Official Statement and hereby authorizes and directs the execution by the Executive Officers and delivery of such final Official Statement to the Underwriter for use in connection with the public offering of the Bonds.

ARTICLE 13.

REDEMPTION OF REFUNDED BONDS

SECTION 13.1 Call for Redemption. Subject only to the delivery of the Bonds, \$2,415,000 principal amount of the Issuer's (i) Public Improvement Sales Tax Refunding Bonds, Series 1991, consisting of all of said bonds due December 1, 2002 to December 1, 2004, inclusive, and (ii) \$7,547,000 of the Public Improvement Sales Tax Refunding Bonds, Series 1992, consisting of all of said bonds due November 1, 2002 to November 1, 2010, are hereby called for redemption on March 6, 2002 at the principal amount thereof, plus a premium equal to 1-1/2% of each such bond so redeemed, and accrued interest to the date of redemption, in compliance with the Bond Ordinances authorizing their issuance.

SECTION 13.2 Notice of Redemption. In accordance with the Bond Ordinances authorizing the issuance of the Series 1991 Bonds and Series 1992 Bonds, a notice of redemption in substantially the form attached hereto as Exhibit D, shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered

owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

ARTICLE 14.

PROVISIONS RELATING TO INSURER

SECTION 14.1 Notices to be Given to Insurer. While the Municipal Bond Insurance Policy is in effect, the Issuer shall furnish to the Insurer:

- (a) as soon as practicable after the filing thereof, a copy of any financial statement of the Issuer and a copy of any audit and annual report of the Issuer;
- (b) a copy of any notice to be given to the Owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of the Bonds, and any certificate rendered pursuant to the Bond Ordinance relating to the security for the Bonds; and
- (c) such additional information as the Insurer may reasonably request.

The Issuer shall notify the Insurer of any failure of the Issuer to provide relevant notices, certificates, etc.

The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer. The Issuer will permit the Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

The Insurer shall have the right to direct an accounting at the Issuer's expense, and the Issuer's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any Owner of the Bonds.

Notwithstanding any other provision of the Bond Ordinance, the Issuer shall immediately notify the Insurer if at any time there are insufficient moneys to make any payments of principal and/or interest as required and immediately upon the occurrence of any event of default hereunder.

SECTION 14.2 Rights of Insurer. Notwithstanding any other provision of the Bond Ordinance, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of the Bond Ordinance, the Paying Agent shall consider the effect on the Owners as if there were no Municipal Bond Insurance Policy.

SECTION 14.3 Payments Under the Municipal Bond Insurance Policy. As long as the Municipal Bond Insurance Policy of the Insurer shall be in full force and effect, the Issuer and the Paying Agent agree to comply with the provisions of Exhibit E with respect to those Bonds which are entitled to the benefits of the MBIA Insurance Corporation Municipal Bond Insurance Policy. Reference to "Indenture" in such Exhibit E shall mean this Bond Ordinance.

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

follows:

YEAS RAMCHANDRAN, FAUCHEUX, FABRE, ABADIE,
 BLACK, MARINO, MINNICH

NAYS: NONE

ABSENT: HILAIRE, AUTHEMENT

And the Ordinance was declared adopted on this, the 24th day of January, 2002, to become effective five (5) days after publication in the official journal.

CHAIRMAN *Raymond Truchon*

SECRETARY: *Barbara J. Jacob*

DLVD/PARISH PRESIDENT January 28, 2002

APPROVED: DISAPPROVED:

PARISH PRESIDENT: *Albert D. Laguerre*

RETD/SECRETARY: January 28, 2002

AT: 12:30 pm REC'D BY *L. B. J.*

EXHIBIT A TO BOND ORDINANCE

OUTSTANDING BONDS TO BE REFUNDED

I. Parish of St. Charles, State of Louisiana Public Improvement Sales Tax Refunding Bonds, Series 1991.

<u>DATE</u> <u>(DECEMBER 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2002	\$900,000	6.55%
2003	965,000	6.60
2004	<u>550,000</u>	6.60
	\$2,415,000	

Those bonds maturing December 1, 2002 to December 1, 2004, inclusive, will be called for redemption on March 6, 2002, at the principal amount thereof and accrued interest to the redemption date plus a premium equal to one and one-half percent (1-1/2%) of the principal amount so redeemed.

II. Parish of St. Charles, State of Louisiana Public Improvement Sales Tax Refunding Bonds, Series 1992

<u>DATE</u> <u>(NOVEMBER 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2002	\$375,000	6.200%
2003	405,000	6.300
2004	425,000	6.400
2005	455,000	6.450
2006	1,020,000	6.500
2007	1,080,000	6.600
2008	1,155,000	6.600
2009	1,240,000	6.600
2010	<u>1,320,000</u>	6.600
	\$7,475,000	

Those bonds maturing November 1, 2002 to November 1, 2010, inclusive, will be called for redemption on March 6, 2002, at the principal amount thereof and accrued interest to the redemption date plus a premium equal to one and one-half percent (1-1/2%) of the principal amount so redeemed.

**EXHIBIT B TO THE
BOND ORDINANCE**

(FORM OF FACE OF BONDS)

NO R-_____

PRINCIPAL AMOUNT \$ _____

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF ST CHARLES

PUBLIC IMPROVEMENT SALES TAX REFUNDING BOND, SERIES 2002
OF THE
PARISH OF ST CHARLES, STATE OF LOUISIANA

<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
March 1, 2002	November 1, _____	_____ %

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

MORGAN KEEGAN & COMPANY, INC

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above, or from the most recent interest payment date to which interest has been paid or duly provided for, payable on May 1 and November 1 of each year, commencing May 1, 2002 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid. The principal of this Bond, upon maturity, is payable in such coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts at Hancock Bank of Louisiana (Trust Division), in the City of Baton Rouge, Louisiana, or any successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner hereof. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the hereinafter defined Bond Ordinance, be paid to the person in whose name this Bond is registered as of the close of business on the Record Date (which is the 15th calendar day of the month next preceding an Interest Payment Date). Any interest not punctually paid or duly provided for shall be payable as provided in the Bond Ordinance.

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

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

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana

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

PARISH OF ST. CHARLES, STATE OF LOUISIANA

Council Secretary
St. Charles Parish Council

Parish President
Parish of St. Charles, State of Louisiana

(SEAL)

* * * * *

(FORM OF REVERSE OF BOND)

This Bond is one of an authorized issue of Public Improvement Sales Tax Refunding Bonds, Series 2002, aggregating in principal the sum of Nine Million Five Hundred Forty-Five Thousand Dollars (\$9,545,000) (the "Bonds"), said Bonds having been issued by the Issuer pursuant to Ordinance No. 02-1-14 adopted on January 24, 2002 (the "Bond Ordinance"), for the purpose of refunding the December 1, 2002 to December 1, 2004, inclusive, maturities of the Issuer's

outstanding Public Improvement Sales Tax Refunding Bonds, Series 1991 and the November 1, 2002 to November 1, 2010, inclusive, maturities of the Issuer's outstanding Public Improvement Sales Tax Refunding Bonds, Series 1992 (collectively, the "Refunded Bonds") and paying the costs of issuance of the Bonds, under the authority conferred by Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority

This Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's Public Improvement Sales Tax Refunding Bonds, Series 1993 (the "Outstanding Parity Bonds") It is certified that the Issuer, in issuing this Bond and the issue of which it forms a part, has complied with all the terms and conditions set forth in the ordinances authorizing the issuance of the Outstanding Parity Bonds

The Bonds are issuable in the denomination of \$5,000, or any integral multiple thereof within a single maturity As provided in the Bond Ordinance, and subject to certain limitations set forth therein, the Bonds are exchangeable for an equal aggregate principal amount of Bonds of the same maturity of any other authorized denomination.

Subject to the limitations and requirements provided in the Bond Ordinance, the transfer of this Bond shall be registered on the registration books of the Paying Agent upon surrender of this Bond at the principal corporate trust office of the Paying Agent as Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form and a guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee Prior to due presentment for transfer of this Bond, the Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest hereon and for all other purposes, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary

The Bonds will not be callable for redemption prior to their stated maturity dates

This Bond and the issue of which it forms a part, equally with the Outstanding Parity Bonds, are payable as to both principal and interest solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the Issuer's one-half of one percent (1/2%) sales and use tax (the "Tax") authorized at an election held within the corporate boundaries of the Issuer on April 7, 1979, subject only to the payment of the reasonable and necessary costs and expenses of collecting and administering the Tax, all as provided in the Bond Ordinance, and this Bond does not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness The governing authority of the Issuer has covenanted and agreed and does hereby covenant and agree not to discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which this Bond and the issue of which it forms a part have been issued, nor in any way make any change which would diminish the

amount of the revenues of the Tax to be received by the Issuer until all of such Bonds shall have been paid in principal and interest For a complete statement of the revenues from which and conditions under which this Bond is issued, and provisions permitting the issuance of pari passu additional bonds under certain conditions, reference is hereby made to the Bond Ordinance

The Bond Ordinance permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the owners of the Bonds at any time by the Issuer with the consent of the owners of a majority of the Bond Obligation, as defined in the Bond Ordinance.

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

* * * * *

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

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

HANCOCK BANK OF LOUISIANA
(TRUST DIVISION)
Baton Rouge, Louisiana
as Paying Agent

Date of Registration: _____

By: _____

Authorized Officer

* * * * *

(FORM OF SECRETARY OF STATE ENDORSEMENT)

OFFICE OF SECRETARY OF STATE
STATE OF LOUISIANA
BATON ROUGE

Incontestable Secured by a pledge and dedication of a sales and use tax in the Parish
of St. Charles, State of Louisiana Registered this ____ day of _____, 2002

Secretary of State

* * * * *

(FORM OF ASSIGNMENT)

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

Please Insert Social Security
or other Identifying Number of Assignee

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

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

Dated _____

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

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

LEGAL OPINION CERTIFICATE

I, the undersigned Council Secretary to the St. Charles Parish Council, do hereby certify that the following is a true copy of the complete legal opinion of Foley & Judell, L.L.P., the original of which was manually executed, dated and issued as of the date of payment for and delivery of this Bond and was delivered to Morgan Keegan & Company, Inc., of New Orleans, Louisiana, representing the purchasers thereof.

(Bond Printer shall insert legal opinion)

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

/s/ Barbara Jacob

Secretary

(BOND PRINTER INSERT MBIA INSURANCE LEGEND)

EXHIBIT C TO THE BOND ORDINANCE

BOND PURCHASE AGREEMENT

\$9,545,000
PUBLIC IMPROVEMENT SALES TAX REFUNDING BONDS, SERIES 2002
OF THE
PARISH OF ST. CHARLES, STATE OF LOUISIANA

January 24, 2002

Parish of St. Charles, State of Louisiana
P. O. Box 302
Hahnville, Louisiana 70057

Gentlemen:

The undersigned, Morgan Keegan & Company, Inc., of New Orleans, Louisiana (the "Underwriter"), offers to enter into this agreement with the Parish of St. Charles, State of Louisiana (the "Issuer"), which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 10:00 p.m., New Orleans Time on this date.

1. **Purchase Price.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned Public Improvement Sales Tax Refunding Bonds, Series 2002 of the Issuer (the "Bonds"). The purchase price of the Bonds is set forth in Schedule I hereto. Such purchase price shall be paid at the Closing (hereinafter defined) in accordance with paragraph 6 hereof. The Bonds are to be issued by the Issuer, acting through the St. Charles Parish Council, its governing authority (the "Governing Authority"), under and pursuant to, and are to be secured by an ordinance adopted by the Governing Authority on January 24, 2002 (the "Bond Ordinance"). The Bonds are issued pursuant to Chapter 14- A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"). The Bonds shall mature on the dates and shall bear interest at the fixed rates, all as described in Schedule II attached hereto. A portion of the proceeds of the Bonds will be applied to the payment of principal of and premium, if any, and interest for a portion of the Issuer's outstanding (i) Public Improvement Sales Tax Refunding Bonds, Series 1991 and (ii) Public Improvement Sales Tax Refunding Bonds, Series 1992, which are described in Exhibit A to the Bond Ordinance (the "Refunded Bonds").

Concurrently with the delivery of the Bonds, MBIA Assurance Corporation (the "Insurer") will deliver its policy of insurance insuring payment of principal of and interest on the Bonds pursuant to the terms and conditions of such policy (the "Insurance Policy").

2. **Public Offering.** The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on Schedule II attached hereto, and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than such public offering prices. Not less than ten business days prior to the Closing, the Underwriter agrees to furnish to Foley & Judell, L.L.P., Bond Counsel, a certificate acceptable to Bond Counsel (i) specifying the reoffering prices at which a substantial amount of the Bonds was sold to the public (excluding bond houses, brokers and other intermediaries) and (ii) certifying the accuracy of such reoffering prices (if lower than those set out in Schedule II). The Underwriter acknowledges that Bond Counsel will rely on such representations in making their determination that the Bonds are not "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended.

3. **Representative.** Morgan Keegan & Company, Inc. is duly authorized to execute this Bond Purchase Agreement.

4. **Official Statement.** The Issuer shall deliver to the Underwriter at least one (1) copy of the Official Statement dated the date hereof relating to the Bonds, executed on behalf of the Issuer by the duly authorized officers of the Governing Authority. The Issuer agrees to amend or supplement the Official Statement on or prior to the Closing whenever requested by the Underwriter when, in the reasonable

judgment of the Underwriter and/or Bond Counsel to the Issuer, such amendment or supplementation is required.

You hereby ratify and approve the lawful use of the Preliminary Official Statement, dated January 18, 2002, relating to the Bonds (the "Preliminary Official Statement") by the Underwriter prior to the date hereof, and authorize and approve the Official Statement and other pertinent documents referred to in Section 7 hereof to be lawfully used in connection with the offering and sale of the Bonds. The Issuer has previously provided the Underwriter with a copy of the said Preliminary Official Statement dated January 18, 2002. As of its date, the Preliminary Official Statement has been deemed final by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The Issuer agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

5. Representations of the Issuer.

(a) The Issuer has duly authorized all necessary action to be taken by it for: (i) the sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; and (iii) the execution, delivery and receipt of this Bond Purchase Agreement and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement, and the Bond Ordinance;

(b) The information contained in the Official Statement is and, as of the date of Closing, will be correct in all material respects and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading; provided that no representation is made concerning information about the Insurer or the Insurance Policy;

(c) To the knowledge of the Issuer there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against or affecting the Issuer or the Governing Authority or threatened against or affecting the Issuer or the Governing Authority (or, to the knowledge of the Issuer, any basis therefor) contesting the due organization and valid existence of the Issuer or the Governing Authority or the validity of the Act or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity or due adoption of the Bond Ordinance or the validity, due authorization and execution of the Bonds, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transaction contemplated hereby or by the Official Statement;

(d) The authorization, execution and delivery by the Issuer of the Official Statement, this Bond Purchase Agreement and the other documents contemplated hereby and by the Official Statement, and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provisions of the Louisiana Constitution of 1974, as amended, or any existing law, court or administrative regulation, decree or order by which the Issuer or its properties are or, on the date of Closing will be, bound;

(e) All consents of and notices to or filings with governmental authorities necessary for the consummation by the Issuer of the transactions described in the Official Statement, the Bond Ordinance and this Bond Purchase Agreement (other than such consents, notices and filings, if any, as may be required under the securities or blue sky laws of any federal or state jurisdiction) required to be obtained or made have been obtained or made or will be obtained or made prior to delivery of the Bonds;

(f) The Issuer agrees to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may reasonably request provided however that the Issuer shall not be required to register as a dealer or a broker in any such state or jurisdiction or qualify as a foreign corporation or file any general consents to service of process under the laws of any state. The Issuer consents to the lawful use of the

Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications. No member of the Governing Authority, or any officer, employee or agent of the Issuer shall be individually liable for the breach of any representation or warranty made by the Issuer.

6. **Delivery of, and Payment for, the Bonds.** At 9.00 a.m., New Orleans Time, on or about March 6, 2002, or at such other time or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Underwriter, the Bonds, in definitive form duly executed and registered by Hancock Bank, in the City of Baton Rouge, Louisiana, as Paying Agent (the "Paying Agent"), together with the other documents hereinafter mentioned and the other moneys required by the Bond Ordinance to be provided by the Issuer to refund the Refunded Bonds and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds in Federal Funds, for the account of the Issuer.

Delivery of the Bonds as aforesaid shall be made at the offices of Bond Counsel in New Orleans, Louisiana, or such other place as may be agreed upon by the Underwriter and the Issuer. Such payment and delivery is herein called the "Closing". The Bonds will be delivered initially as fully registered bonds, one bond representing each maturity of the Bonds, and registered in such names as the Underwriter may request not less than three business days prior to the Closing or if no such instructions are received by the Paying Agent, in the name of the Representative.

7. **Certain Conditions To Underwriter's Obligations.** The obligations of the Underwriter hereunder shall be subject to the performance by the Issuer of its obligations to be performed hereunder, and to the following conditions:

- (a) At the time of Closing, (i) the Bond Ordinance shall have been adopted, shall have been executed and delivered in the form approved by the Underwriter and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, (ii) the Bonds shall have been approved by resolution of the State Bond Commission, (iii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement and the Bond Ordinance, and (iv) there shall have been duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and
- (b) At or prior to the Closing, the Underwriter shall have received each of the following:
- (A) the approving opinion of Bond Counsel, dated the date of the Closing, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the law existing on the date of the Closing, in form satisfactory to the Underwriter;
- (B) a supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Issuer and the Underwriter in form satisfactory to the Underwriter;
- (C) certificates of the Issuer dated the date of the Closing, executed by authorized officers in form satisfactory to the Underwriter;
- (D) the Official Statement executed on behalf of the Issuer by the duly authorized officers thereof;
- (E) a specimen of the Bonds;
- (F) certified copies of the Bond Ordinance and all other resolutions of the Issuer and the State Bond Commission relating to the issuance and/or sale of the Bonds, as applicable;
- (G) a certificate of a duly authorized officer of the Issuer, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner required by Bond Counsel, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Bonds and of any other funds of the Issuer expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, the Issuer's expectations are reasonable;

(H) evidence, satisfactory in form and substance to the Underwriter, that the Insurance Policy has been duly authorized, created and delivered by the Insurer and is in full force and effect;

(I) a certificate of the Paying Agent, as to (a) its corporate capacity to act as such, (b) the incumbency and signatures of authorized officers, and (c) its due registration of the Bonds delivered at the Closing by an authorized officer; and

(J) other certificates of the Issuer listed on a Closing Memorandum, including any certificates or representations required in order for Bond Counsel to deliver the opinions referred to in Paragraphs 7(b)(A) and (B) of this Bond Purchase Agreement and such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Issuer with applicable legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations contained herein, and the due performance or satisfaction by them at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter. The Issuer will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents relating to the Bonds as the Underwriter may reasonably request.

8. Conditions to Obligations of the Issuer. The obligations of the Issuer hereunder to deliver the Bonds shall be subject to the execution and delivery by the Insurer and the acceptance by the Issuer or the Paying Agent of the Insurance Policy and receipt of the opinions of Bond Counsel described in Sections 7(b)(A) and 7(b)(B) hereof.

9. Termination. The Underwriter shall have the right to cancel their obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of adversely changing the federal income tax consequences of any of the transactions contemplated in connection herewith, and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a default with respect to the debt obligations of, or the institution of proceedings under federal or state bankruptcy laws by or against the Issuer, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Louisiana or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the affairs of the Issuer, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Ordinance, or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter the market for the Bonds is materially affected thereby.

If the Issuer shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or cancelled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof, shall continue in full force and effect.

10. Additional Covenants. The Issuer covenants and agrees with the Underwriter as follows:

(a) The Issuer shall furnish or cause to be furnished to the Underwriter on or before the seventh business day of the acceptance hereof, as many copies of the Official Statement as the Underwriter may reasonably request;

(b) Before revising, amending or supplementing the Official Statement, the Issuer shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of the Issuer, its Bond Counsel and the Underwriter a supplement or amendment to the Official Statement is required, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and Bond Counsel.

11. Survival of Representations. All representations and agreements of the Issuer and the Underwriter hereunder shall remain operative and in full force and effect, and shall survive the delivery of the Bonds and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

12. Payment of Expenses. If the Bonds are sold and delivered to the Underwriter by the Issuer, the Issuer shall pay, from the proceeds of the Bonds, any reasonable expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Preliminary Official Statement and the Official Statement; (ii) the cost of the preparation of the printed Bonds; (iii) any rating agency fees (iv) the fees and expenses of Bond Counsel, the Paying Agent and any other experts or consultants retained by the Issuer (v) the cost of preparing and printing the blue sky and legal investment memoranda and (vi) the cost of distribution of the Preliminary Official Statement and the Official Statement.

The Underwriter shall pay (a) all advertising expenses in connection with the public offering of the Bonds; (b) filing fees in connection with the aforesaid blue sky and legal investment memoranda; (c) the premium for the Insurance Policy; and (d) all other expenses incurred by the Underwriter (including the cost of any Federal Funds necessary to pay the purchase price of the Bonds) in connection with their public offering.

13. Notices. Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the Issuer set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Morgan Keegan & Company, Inc., 909 Poydras St, Suite 1300, New Orleans, Louisiana 70112.

14. Parties. This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the either) and no other person shall acquire or have any right hereunder or by virtue hereof.

15. Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana.

16. General. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

MORGAN KEEGAN & COMPANY, INC.

By: _____
Title:

Accepted and agreed to as of
the date first above written:

PARISH OF ST. CHARLES,
STATE OF LOUISIANA

By: _____
Parish President,
Parish of St. Charles, State of Louisiana

ATTEST:

By: _____
Council Secretary
St. Charles Parish Council

(SEAL)

**SCHEDULE I
To Bond Purchase Agreement**

Purchase Price

Par Amount of Bonds:	\$9,545,000
Less: Underwriter's Discount (1.0%)	(95,450.00)
Plus: Original Issue Premium	146,362.50
Less: Cost of MBIA Insurance Policy, to be paid by the Underwriters	(45,000.00)

PURCHASE PRICE \$9,550,912.50, plus accrued interest
to the delivery date of the Bonds.

**SCHEDULE II
To Bond Purchase Agreement**

<u>MATURITY (NOVEMBER 1)</u>	<u>PRINCIPAL AMOUNT DUE</u>	<u>INTEREST RATE</u>	<u>REOFFERING PRICE</u>
2002	\$555,000	3.00%	100.871
2003	1,335,000	5.00	104.600
2004	1,400,000	3.00	101.505
2005	980,000	3.25	100.959
2006	975,000	3.50	100.853
2007	1,005,000	4.00	101.820
2008	1,050,000	4.00	100.810
2009	1,100,000	4.25	101.103
2010	1,145,000	4.25	100.210

**EXHIBIT D TO THE
BOND ORDINANCE**

NOTICE OF CALL FOR REDEMPTION

**PUBLIC IMPROVEMENT SALES TAX REFUNDING BONDS, SERIES 1991
(MATURING DECEMBER 1, 2002 TO 2004, INCLUSIVE)**

AND

**PUBLIC IMPROVEMENT SALES TAX REFUNDING BONDS, SERIES 1992
(MATURING NOVEMBER 1, 2002 TO 2010, INCLUSIVE)**

**OF THE
PARISH OF ST. CHARLES, STATE OF LOUISIANA**

NOTICE IS HEREBY GIVEN that, pursuant to the Bond Ordinance adopted on January 24, 2002, by the Parish Council of the Parish of St. Charles, State of Louisiana, acting as the governing authority of the Parish of St. Charles, State of Louisiana (the "Issuer"), that the Issuer hereby calls for redemption on March 6, 2002, its outstanding Public Improvement Sales Tax Refunding Bonds, Series 1991, consisting of all of the bonds of said issue which mature December 1, 2002 to December 1, 2004, inclusive, and its outstanding Public Improvement Sales Tax Refunding Bonds, Series 1992, consisting of all of the bonds of said issue which mature on November 1, 2002 to November 1, 2010, inclusive (collectively, the "Refunded Bonds"), at the principal amount thereof and accrued interest to the redemption date plus a premium equal to one and one-half percent (1-1/2%) of the principal amounts so redeemed, said Refunded Bonds being more fully described as follows:

Series 1991 Maturity Date (December 1)	Principal Amount	Interest Rate	CUSIP Numbers
2002	\$ 900,000	6.55%	788040 EL8
2003	965,000	6.60	788040 EM6
2004	<u>550,000</u>	6.60	788040 EN4
	\$2,415,000		

Series 1992 Maturity Date (November 1)	Principal Amount	Interest Rate	CUSIP Numbers
2002	\$ 375,000	6.20%	788071 EY0
2003	405,000	6.30	788071 EZ7
2004	425,000	6.40	788071 FA1
2005	455,000	6.45	788071 FB9
2006	1,020,000	6.50	788071 FC7
2007	1,080,000	6.60	788071 FD5
2008	1,155,000	6.60	788071 FE3
2009	1,240,000	6.60	788071 FF0
2010	<u>1,320,000</u>	6.60	788071 FG8
	\$7,475,000		

No further interest shall accrue and be payable on the Refunded Bonds from and after March 6, 2001. The foregoing Refunded Bonds should be surrendered for payment on March 6, 2002 at Bank One Trust Company, N.A. (successor to First National Bank of Commerce), as follows

By Hand, Express Mail
or Courier Service

Bank One Trust Company, NA
Corporate Trust Operations, OH1-0184
235 West Schrock Road
Westerville, Ohio 43081

By Mail

Bank One Trust Company, NA
Corporate Trust Operations Services
P. O. Box 710184
Columbus, OH 43271

The CUSIP Numbers listed above are provided for convenience of the bondowners. The Issuer does not certify as to their correctness.

Holders of said Refunded Bonds are reminded that the Federal Interest and Dividend Tax Compliance Act of 1983 requires that the Paying Agent, as payor, withhold 30% of the principal amount if a Taxpayer Identification Number has not been provided by the Holder as payee. If the Tax Identification Number has not previously been provided to the Paying Agent, then Bondholders are requested to provide this information to the Paying Agent with a Form W-9 in order to avoid the aforesaid withholding.

PARISH OF ST CHARLES, STATE OF LOUISIANA

By, _____

Barbara J. Jacob
Council Secretary

Date January 24, 2002

SPECIMEN SIGNATURE SHEET

(Using a black pen, please sign to the right of your title)

PARISH PRESIDENT: *Albert D. Laguer*

PARISH PRESIDENT: *Albert D. Laguer* 20 ^{nov} 4pm

PARISH PRESIDENT: *Albert D. Laguer* 1-880-654-8920
Fed Exed 1-29-02

SECRETARY: *Barbara J. Jacob*

SECRETARY: *Barbara J. Jacob*

SECRETARY: *Barbara J. Jacob*

SEAL IMPRESSIONS

(Please firmly affix three seal impressions below)

STATE OF LOUISIANA


PARISH OF ST. CHARLES

**AFFIDAVIT
PURSUANT TO LA. R.S. 39:244(B)**

BEFORE ME, the undersigned Notary Public, duly commissioned and qualified in and for the aforesaid Parish, personally came and appeared the officers of the St. Charles Parish Council, whose signatures appear below opposite their names and titles, who being by me duly sworn, did state that their signature shown below is their true and genuine signatures, and may be used in the execution of public securities issued by the foregoing entity, of which said persons are officers, all as provided by La. R.S. 39:244:

SIGNATURE

OFFICIAL TITLE



Albert D. Laque

Parish President


Barbara Jacob

Secretary

Sworn to and subscribed before me this 29th day of January, 2002.


NOTARY PUBLIC