

## PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2002

**NEW ISSUE**  
**Book-Entry Only**

**RATING:** Moody's: "\_\_\_\_\_"  
 (see "RATING" herein)

Interest on the Bonds is subject to federal income taxation. (See "TAX MATTERS" herein)

**\$7,500,000\***  
**PARISH OF ST. CHARLES, STATE OF LOUISIANA**  
**TAXABLE REVENUE BONDS**  
**(RANDA PROPERTIES LLC PROJECT)**  
**SERIES 2002**

Dated: Date of Delivery

Due: \_\_\_\_\_

The Bonds are limited obligations of the Parish of St. Charles, State of Louisiana (the "Issuer") and the principal and purchase price of, premium, if any, and interest on the Bonds will be payable, except to the extent payable from Bond proceeds and certain other moneys pledged therefor, solely from and secured by a pledge of payments to be made under a Lease Agreement, dated as of September 1, 2002 (the "Lease Agreement") between the Issuer and Randa Properties LLC, a Delaware limited liability company (the "Company") and from amounts under an irrevocable, direct-pay letter of credit (the "Front Letter of Credit") to be issued by

**HIBERNIA NATIONAL BANK**

a national banking association organized and existing under the laws of the United States of America (the "Bank"), as more fully described herein, which Front Letter of Credit will be confirmed by \_\_\_\_\_, a Federal Home Loan Bank by issuing an irrevocable transferable confirming letter of credit (the "Supporting Letter of Credit"). The Front Letter of Credit and the Supporting Letter of Credit and/or any Alternate Letter of Credit obtained in accordance with the Indenture are referred to herein as the "Letter of Credit."

The proceeds of the Bonds will be used by the Company to finance the costs of the acquisition, construction and equipping of a corporate headquarters and distribution facility to be located in the James Business Park in St. Rose, Parish of St. Charles, Louisiana (the "Project"). The Company has agreed to acquire, construct and install the Project and convey the Project to the Issuer, including the real property owned by the Issuer, and the Issuer will agree to lease the Project to the Company for exclusive use and occupancy by the Company under the Lease Agreement.

The Front Letter of Credit will be issued in an amount of \$\_\_\_\_\_, which may be drawn upon by the Trustee (as defined herein) as follows: an amount not exceeding \_\_\_\_\_ and \_\_\_/100 Dollars (\$\_\_\_\_\_) may be drawn upon with respect to payment of the unpaid principal amount of the Bonds or the portion of the purchase price corresponding to principal thereof (hereafter, as reduced or increased from time to time in accordance with the provisions hereof, the "Principal Component"); and an amount not exceeding \_\_\_\_\_ and \_\_\_/100 Dollars (\$\_\_\_\_\_) may be drawn upon with respect to payment of up to forty-five (45) days' accrued interest at twelve percent (12%) per annum (computed on the basis of a 365-day year and the actual days elapsed) on the Bonds or the portion of the purchase price corresponding to accrued interest (the amount of such drawing with respect to accrued interest to be expressly further limited to an amount computed by you equal to the actual rate of interest from time to time applicable to the Bonds during the period for which such drawing is to be made) (hereafter, as reduced or increased from time to time in accordance with the provisions hereof, the "Interest Component"). The Front Letter of Credit has a stated expiration date of \_\_\_\_\_, 2005. The Trust Indenture, dated as of September 1, 2002 (the "Indenture") by and between the Issuer and Hancock Bank of Louisiana (the "Trustee"), as more fully described herein, pursuant to which the Bonds are being issued, provides that an Alternate Letter of Credit (as defined herein) may be delivered under certain conditions, as more fully described herein.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Letter of Credit Bank. This Official Statement does not describe the financial condition of the Company or the Guarantor (as defined herein).

The payment of the principal of, premium, if any, and interest on the Bonds will also be secured by a Guaranty Agreement, dated as of September 1, 2002 (the "Guaranty Agreement") by and between Randa Corp. (the "Guarantor") and the Trustee.

The Bonds will be issued only as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as Securities Depository (as defined herein) for the Bonds. Principal and purchase price of, premium, if any, and interest on the Bonds will be paid by the Trustee (or, in certain instances with respect to purchase price, by the Remarketing Agent (as defined herein)) directly to DTC, which will remit payments to DTC's Direct Participants (as defined herein), as described in this Official Statement. See "THE BONDS – Book-Entry Only System."

The Bonds, as initially issued, will bear interest at the Weekly Interest Rate (as defined herein), in minimum denominations of \$100,000 or any integral multiple thereof. Initially, interest will be paid on the first Business Day (as defined herein) of each calendar month. The rate of interest on the Bonds may be changed from time to time to a different Interest Rate Period (as defined herein).

During any Daily Interest Rate Period, Weekly Interest Rate Period, Monthly Interest Rate Period, on any Rate Adjustment Date and during any Term Rate Period (each as defined herein), the Bonds shall be subject to optional redemption by the Issuer with Available Moneys (as defined herein), at the written direction of the Company and with the written consent of the Bank. Bonds will be subject to mandatory tender for purchase in certain circumstances as described herein including a change in the Interest Rate Period of the Bonds. See "REDEMPTION OF BONDS PRIOR TO MATURITY."

\* Preliminary; subject to change.

**THE BONDS AND THE INTEREST THEREON ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND OTHER RECEIPTS DERIVED BY THE ISSUER FROM THE OWNERSHIP OF THE PROJECT, INCLUDING REVENUES AND RECEIPTS DERIVED UNDER THE LEASE AGREEMENT. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE DEBT, LIABILITY OR OBLIGATION OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OF LOUISIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION THEREOF, AND NEITHER THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.**

The Bonds are subject to optional and mandatory redemption, mandatory tender for purchase, and optional tender for purchase, all as described above and herein.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, the approval of the legality of the Bonds by Foley & Judell, L.L.P., New Orleans, Louisiana, Bond Counsel and to certain other conditions. Certain legal matters will be passed upon for the Company by Locke Liddell & Sapp LLP, New Orleans, Louisiana and for the Issuer by Robert L. Raymond, Esq, Destrehan, Louisiana. Certain legal matters will be passed upon for the Underwriter by McGlinchey Stafford, PLLC, New Orleans, Louisiana. Certain legal matters will be passed upon for the Bank by Long Law Firm, L.L.P., Baton Rouge, Louisiana. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about \_\_\_\_\_, 2002.

**MORGAN KEEGAN & COMPANY, INC.**

The date of this Official Statement is \_\_\_\_\_, 2002.

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NO BROKER, DEALER, SALES REPRESENTATIVE OR ANY OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE COMPANY, THE BANK OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT IN CONNECTION WITH THE OFFERING DESCRIBED IN IT AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THOSE DESCRIBED ON THE COVER PAGE, NOR SHALL THERE BE ANY OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY OR SELL SUCH SECURITIES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE ISSUER, THE COMPANY, THE BANK AND OTHER SOURCES DEEMED RELIABLE.

THE INFORMATION CONCERNING DTC HAS BEEN OBTAINED FROM DTC. THE INFORMATION CONCERNING THE LETTER OF CREDIT AND THE BANK HAS BEEN OBTAINED FROM THE BANK. NO REPRESENTATION IS MADE, HOWEVER, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, AND NOTHING CONTAINED IN THIS OFFICIAL STATEMENT IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION BY THE UNDERWRITER. THE ISSUER HAS NOT REVIEWED OR APPROVED ANY INFORMATION IN THIS OFFICIAL STATEMENT EXCEPT FOR THE INFORMATION UNDER THE HEADINGS "THE ISSUER" AND "LITIGATION - THE ISSUER."

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ANY OF THE PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN ANY OF THE PARTIES DESCRIBED HEREIN AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE BONDS.

THIS OFFICIAL STATEMENT IS SUBMITTED IN CONNECTION WITH THE SALE OF THE SECURITIES DESCRIBED IN IT AND MAY NOT BE REPRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSES. THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IS SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE BY MEANS OF IT SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAVE NOT BEEN CHANGES IN THE AFFAIRS OF THE ISSUER, THE COMPANY, THE BANK OR DTC SINCE THE DATE OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

**OFFICIAL STATEMENT**

**\$7,500,000\***

**PARISH OF ST. CHARLES, STATE OF LOUISIANA  
TAXABLE REVENUE BONDS  
(RANDA PROPERTIES LLC PROJECT)  
SERIES 2002**

**INTRODUCTORY STATEMENT**

This Official Statement, including the cover page, the Table of Contents and the Appendices hereto, is provided to furnish information in connection with the original issuance and sale by Parish of St. Charles, State of Louisiana (the "Issuer") of its \$7,500,000\* Taxable Revenue Bonds (Randa Properties LLC Project) Series 2002 (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture, dated as of September 1, 2002 (the "Indenture") between the Issuer and Hancock Bank of Louisiana, as trustee (the "Trustee"). The Bonds will be dated as of and bear interest from the date of their initial delivery pursuant to the instructions of Morgan Keegan & Company, Inc. (the "Underwriter"). The Bonds will mature on \_\_\_\_\_, and will be subject to redemption prior to maturity as described herein under REDEMPTION OF BONDS BEFORE MATURITY." Certain terms used in this Official Statement are defined in APPENDIX A hereto.

The proceeds received from the sale of the Bonds will be made available to Randa Properties LLC, a Delaware limited liability company (the "Company"), pursuant to the terms of a Lease Agreement, dated as of September 1, 2002 (the "Lease Agreement") between the Company and the Issuer, to finance the cost of the acquisition, construction and equipping of a corporate headquarters and distribution facility to be located in the James Business Park in St. Rose, Parish of St. Charles, Louisiana (the "Project"). The Company, the Project and the projected use of the proceeds of the Bonds are more particularly described in the section entitled "THE COMPANY, THE PROJECT AND USE OF BOND PROCEEDS." Pursuant to the Lease Agreement, the Company will agree to make payments to the Trustee as to the times and in the amounts necessary to pay the principal of, premium (if any) and interest on the Bonds when due.

THE BONDS AND THE INTEREST THEREON ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND OTHER RECEIPTS DERIVED BY THE ISSUER FROM THE OWNERSHIP OF THE PROJECT, INCLUDING REVENUES AND RECEIPTS DERIVED UNDER THE LEASE AGREEMENT. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE DEBT, LIABILITY OR OBLIGATION OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OF LOUISIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION THEREOF, AND NEITHER THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.

Hibernia National Bank, New Orleans, Louisiana (the "Front Letter of Credit Bank" or the "Bank") has issued in favor of the Trustee an irrevocable direct pay letter of credit, dated \_\_\_\_\_, 2002 (the "Front Letter of Credit") in a maximum amount equal to the principal of the Bonds outstanding, and up to 45

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\* Preliminary; subject to change.

days' interest thereon (calculated utilizing the Cap Rate), under which the Front Letter of Credit Bank is obligated to pay to the Trustee, upon presentation of the required documentation, the amount necessary to pay the unpaid principal amount of the Bonds or the portion of the purchase price corresponding to principal thereof and interest on the Bonds then due and payable. \_\_\_\_\_ (the "Supporting Letter of Credit Bank" and together with the Front Letter of Credit Bank, the "Letter of Credit Bank") has confirmed the Front Letter of Credit by issuing an irrevocable confirming letter of credit, dated \_\_\_\_\_, 2002 (the "Supporting Letter of Credit"). The Front Letter of Credit, together with the Supporting Letter of Credit and/or any alternate letter of credit obtained in accordance with the Indenture, are referred to herein as the "Letter of Credit." See "SUMMARY OF CERTAIN PROVISIONS OF THE FRONT LETTER OF CREDIT" herein. The Front Letter of Credit will expire on \_\_\_\_\_, 2005 and the Supporting Letter of Credit will expire on \_\_\_\_\_, unless terminated earlier, or extended, as the case may be, pursuant to their terms. The repayment of drawings under the Letter of Credit will be provided pursuant to a Letter of Credit Reimbursement Agreement, dated as of September 1, 2002, as amended and supplemented from time to time (the "Credit Agreement"), by and between the Front Letter of Credit Bank and the Company. The obligations of the Company to the Front Letter of Credit Bank under the Credit Agreement will be secured by certain collateral security documents (collectively, the "Bank Security Documents") from the Company to the Front Letter of Credit Bank. The Bank Security Documents will be for the sole benefit and security of the Letter of Credit Bank and will not be for the benefit or security of the Trustee, the Beneficial Owners or the Holders.

**The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Letter of Credit Bank and are not being offered on the basis of the financial strength of the Company or any other security. This Official Statement does not describe the financial condition of the Company or the Guarantor (as defined herein). The Bonds are subject to acceleration of maturity upon the occurrence of a default by the Company under the Credit Agreement, which includes a failure by the Company to fulfill its reimbursement obligation under the Credit Agreement and a failure by the Company to comply with certain other obligations set forth therein. As a result of the foregoing, prospective investors will not be able to accurately evaluate the likelihood of a default by the Company under the Credit Agreement.**

Additionally, the Bonds will also be secured by a Guaranty Agreement, dated as of September 1, 2002 (the "Guaranty Agreement") by and between Randa Corp. (the "Guarantor") and the Trustee.

The Bonds will be purchased by the Trustee upon demand by the registered owner thereof (initially, The Depository Trust Company, or its nominee) (the "Holder"), and beneficial ownership interests in such Bonds ("Beneficial Ownership Interests") will be purchased by the Trustee upon the demand of the owners thereof ("Beneficial Owners"). The Indenture provides for the remarketing by the remarketing agent, initially, Morgan Keegan & Company, Inc. (the "Remarketing Agent"), of the Bonds tendered by the Holders or Beneficial Owners thereof. If the proceeds of remarketing are not sufficient to purchase the Bonds tendered for purchase, the Trustee is required to draw on the Letter of Credit to pay the necessary purchase price. The Issuer may provide for the delivery of an Alternate Letter of Credit to the Trustee with respect to the Bonds.

The Issuer has not provided any of the information contained in this Official Statement, except under the captions "THE ISSUER" and "LITIGATION – The Issuer." The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Company, the Front Letter of Credit Bank, the Supporting Letter of Credit Bank, the Underwriter or any other person.



Herein follow brief descriptions of the Issuer and the Bonds, together with summaries of the Indenture, Lease Agreement, Letter of Credit and the Credit Agreement. Information relating to the Front Letter of Credit Bank and the Supporting Letter of Credit Bank is included in APPENDIX B hereto. The descriptions and summaries of the Letter of Credit, the Credit Agreement, the Lease Agreement, the Indenture and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to Bonds are qualified in their entirety by the definitive form thereof included in the Indenture. Copies of such documents will be available at the offices of the Underwriter, 909 Poydras Street, Suite 1300, New Orleans, Louisiana 70112 until the issuance and delivery of the Bonds, and thereafter at the corporate trust office of the Trustee, presently Hancock Bank of Louisiana, 2600 Citiplace Drive, Suite 200, Baton Rouge, Louisiana 70808.

## **THE ISSUER**

### **[TO BE UPDATED BY ISSUER COUNSEL]**

The Issuer is a political subdivision of the State of Louisiana. Pursuant to the provisions of Sections 551.1 to 551.3, inclusive, and 551.5 of Title 39, Part XII of Chapter 4 of Subtitle II of Title 39, Sections 991 through 1001, inclusive, of Title 39 and/or Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (independently and collectively, as appropriate, the "Act") and other constitutional and statutory authority supplemental thereto, the Issuer is authorized and empowered to issue the Bonds and to acquire, own, lease, rent, finance, sell and dispose of properties for promoting and encouraging industrial and economic opportunities, stimulating the economy through renewed commerce and industry, and utilizing and developing natural and human resources of the area by providing job opportunities.

The distribution of this Official Statement has been duly approved and authorized by the Issuer. Such approval and authorization does not, however, constitute a representation or approval by the Issuer of the accuracy or sufficiency of any information contained herein except to the extent of the information regarding the Issuer contained in this section and the information contained under the caption "LITIGATION – The Issuer."

The Issuer is governed by a Parish Council (the "Council") consisting of nine (9) members, all of whom must be qualified voters and taxpayers within the limits of the Issuer during their term of office.

The members of the Council and their expiration of their current terms of office are as follows:

<b>Member:</b>	<b>Term Expires:</b>
"Ram" Ramchandran	
Clayton "Snookie" Faucheux	
Desmond J. Hilaire	
Brian A. Fabre	
Darnell "Dee" Abadie	
Terry Authement	
April Black	
Lance Marino	
Barry Minnich	

The Issuer authorized the issuance of the Bonds by [resolutions/ordinances] adopted on \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_. The address of the Issuer is 15045 Highway 18, P.O. Box 302, Hahnville, Louisiana 70057.

THE BONDS AND THE INTEREST THEREON ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND OTHER RECEIPTS DERIVED BY THE ISSUER FROM THE OWNERSHIP OF THE PROJECT, INCLUDING REVENUES AND RECEIPTS DERIVED UNDER THE LEASE AGREEMENT. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE DEBT, LIABILITY OR OBLIGATION OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION THEREOF, AND NEITHER THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.

### **THE COMPANY, THE PROJECT AND USE OF BOND PROCEEDS**

**[TO BE UPDATED BY COMPANY COUNSEL]**

#### **The Company**

Randa Properties LLC (the "Company") is a Delaware limited liability company with its principal place of business located in \_\_\_\_\_ Parish, Louisiana.

THE BONDS ARE BEING OFFERED SOLELY ON THE BASIS OF THE LETTER OF CREDIT AND NOT ON THE BASIS OF THE FINANCIAL STRENGTH OF THE COMPANY OR THE GUARANTOR. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE COMPANY IS INCLUDED IN THIS OFFICIAL STATEMENT.

#### **The Project**

The Project consists of the acquisition, construction and equipping of a corporate headquarters and distribution facility to be located in the James Business Park in St. Rose, Parish of St. Charles, Louisiana.

#### **Uses of Proceeds**

#### **Sources of Funds**

Par Amount of the Bonds  
Less: Original Issue Discount  
Plus: Original Issue Premium  
Total Sources of Funds

#### **Uses of Funds**

Deposit to Construction Fund  
Deposit to Debt Service Reserve Fund

Costs of Issuance<sup>(1)</sup>

Total Uses of Funds

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<sup>(2)</sup> Includes, without limitation, Underwriter's discount, all legal and other fees (including legal fees of counsel to the Underwriter).

## THE BONDS

### General

The Bonds will be issued as fully registered Bonds without coupons in Authorized Denominations and will be dated as of and bear interest from the date of their initial delivery. The Bonds will bear interest at the rate that is in effect from time to time as described under the caption "Interest on the Bonds" below. Initially, the Bonds will bear interest at the Weekly Interest Rate. The Bonds will mature on \_\_\_\_\_, and are subject to mandatory and optional redemption prior to maturity as described under "REDEMPTION OF BONDS BEFORE MATURITY" herein. [A DEFAULT BY THE COMPANY UNDER THE CREDIT AGREEMENT COULD CONSTITUTE AN EVENT OF DEFAULT UNDER THE INDENTURE AND RESULT IN THE ACCELERATION OF THE BONDS PRIOR TO THEIR MATURITY.]

The Bonds will be issued initially solely in book-entry form. See "Book-Entry Only System" below.

In the event that the Bonds are no longer held in a book-entry only system, the principal and purchase price of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America only at the Principal Office of the Trustee. Payment of interest on any Bond due on any regularly scheduled Interest Payment Date shall be made to the Registered Owner thereof as of the Record Date preceding such Interest Payment Date. Payments of interest on any Bond shall be made in next day funds by check of the Trustee mailed on the applicable Interest Payment Date to the Registered Owner thereof as of the Record Date preceding such Interest Payment Date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Trustee, as bond registrar, or at such other address as is furnished to the Trustee in writing by such Registered Owner no later than the close of business on such Record Date; provided, that payments of interest on any Bond during any Daily Interest Rate Period, Weekly Interest Rate Period or Monthly Interest Rate Period shall be made by wire transfer of immediately available funds to the Registered Owner of such Bond to an account at a financial institution located in the continental United States, provided that such Registered Owner shall have given written notice to the Trustee by the applicable Record Date identifying the location and number of the account to which such payment should be wired; provided further, that during any Term Rate Period payments of interest on any Bond may be made by wire transfer of immediately available funds to the Registered Owner of such Bond to an account at a financial institution located in the continental United States in the event that such Registered Owner is the registered owner of at least \$1,000,000 in aggregate principal amount of the Bonds as of the close of business on the Record Date immediately preceding the applicable Interest Payment Date and such Registered Owner shall have given written notice to the Trustee on or before the second Business Day immediately preceding such Record Date, directing the Trustee to make such payments of interest by wire transfer and identifying the location and number of the account to which such payments should be wired; and provided further, that for any Flexible Interest Rate Period, payments of interest on any Bond shall be made by wire transfer of immediately available funds to the Registered Owner of such Bond to an account at a financial institution located in the continental United States only upon presentation and surrender of such Bond at the Principal Office of the Trustee.

## **Book-Entry Only System**

The information provided under this caption has been provided by DTC. No representation is made by the Issuer, the Company or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be initially issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Bonds in the aggregate principal amount of the issue and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York, Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MSB Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transactions. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial

Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices are to be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co., (nor any other DTC nominee) will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and divided payments on the Bonds will be made to DTC or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detain information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or the Issuer subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer, or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participates.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates are required to be printed and delivered.

THE ISSUER, THE TRUSTEE AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS; OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE

SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE ISSUER, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

### **Interest on the Bonds**

*General.* The Bonds shall be dated the date of delivery (the "Dated Date") and shall mature on \_\_\_\_\_. The Bonds shall be subject to redemption prior to maturity as set forth herein under the caption "REDEMPTION OF BONDS BEFORE MATURITY," and shall be subject to purchase as provided in the Indenture. Interest on the Bonds shall be payable on the first Business Day of each calendar month (each an "Interest Payment Date") for each such Bond, commencing \_\_\_\_\_, 2002, and shall accrue from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid or duly provided for on the Bonds, then from the Dated Date until the principal of the Bonds is paid or made available for payment.

The Bonds will bear interest at the rate that is in effect from time to time in accordance with the provisions hereinafter set forth (calculated during a Daily Interest Rate Period, a Weekly Interest Rate Period, a Monthly Interest Rate Period or a Flexible Interest Rate Period on the basis of a calendar year consisting of 365 or 366 days, as the case may be, and calculated on the actual number of days elapsed, and calculated during a Term Rate Period on the basis of a calendar year of 360 days consisting of twelve (12) thirty-day months).

In the manner provided in the Indenture, the term of the Bonds will be divided into consecutive Interest Rate Periods during which the Bonds shall bear interest, at the election of the Company, at either the Daily Interest Rate, the Weekly Interest Rate, the Monthly Interest Rate, Flexible Interest Rates or the Term Rate. The first Interest Rate Period shall commence on the Dated Date and, in accordance with the election by the Company, shall be a Weekly Interest Rate Period, provided that the notice requirements of the Indenture shall not be applicable to such election. Pursuant to the Indenture, the Issuer, the Trustee and the Company agree and understand that the Bonds will be exempt from registration under the provisions of Section 3(a)(2) of the Securities Act of 1933 (the "1933 Act") and that the source of payment of the Bonds will at all times be a Credit Facility of a nature that the Bonds shall be and remain exempt from registration.

Notwithstanding anything to the contrary contained in the Indenture, the Company may not elect that the Bonds bear interest at a Term Rate for a Term Rate Period that would exceed the then expiration date of the Credit Facility.

Daily Interest Rate. (i) During each Daily Interest Rate Period, the Bonds will bear interest at the Daily Interest Rate, which will be determined by the Remarketing Agent by no later than 9:30 a.m., New York City time, on each Business Day for such Business Day or on the next preceding Business Day for any day that is not a Business Day. The Daily Interest Rate will be the rate determined by the Remarketing Agent under then prevailing market conditions to be the minimum interest rate which, if borne by the Bonds on the effective date of such rate, would enable the Remarketing Agent to sell the Bonds on such date at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that (A) with respect to any day if the Remarketing Agent will not have determined a Daily Interest Rate, the Daily Interest Rate will be the same as the Daily Interest Rate for the immediately preceding day and (B) in no event will the Daily Interest Rate exceed the Cap Rate. By the close of business on Friday of each week, the Remarketing Agent will provide the Company and the Trustee with telephonic notice of the Daily Interest Rates for that week and by 11:00 a.m., New York City time, on the last Business Day of each month, the Remarketing Agent will provide the Company and the Trustee with telephonic notice of all subsequently determined Daily Interest Rates. Written confirmation of such telephonic notices will be sent to the Trustee by the Remarketing Agent by the close of business on the last Business Day of each month. The Trustee will (1) calculate the amount of interest to be paid on each Interest Payment Date in respect of a Daily Interest Rate Period, and the Remarketing Agent will confirm such interest calculation, and (2) notify the Company of the amount of interest to be paid on each such Interest Payment Date as soon as practicable.

(ii) Subject to compliance with the provisions of the Indenture, at any time, the Company, by written direction to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, may elect that the Bonds will bear interest at a Daily Interest Rate. Such direction will specify the effective date of such adjustment to a Daily Interest Rate (which will be (A) a Business Day not earlier than the 15th day following the fifth Business Day after the date of receipt by the Trustee of such direction, (B) in the case of an adjustment from a Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the Bonds would be redeemable at the direction of the Company pursuant to the Indenture if such adjustment did not occur, and (C) in the case of an adjustment from a Flexible Interest Rate Period, the day immediately following the last day of the then current Flexible Interest Rate Period). During each Daily Interest Rate Period, which will commence on a date so specified or determined and which will end on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Bonds will be a Daily Interest Rate.

(iii) The Trustee will give notice of an adjustment to a Daily Interest Rate Period to Bondholders (with a copy to the Company) by first-class mail, postage prepaid, not less than 15 days prior to the date such Daily Interest Rate Period is to become effective. Such notice will state (A) that the interest rate on the Bonds is to be adjusted to a Daily Interest Rate (subject to the Company's ability to rescind its election as described in the Indenture), (B) the date such Daily Interest Rate Period is to become effective, (C) that the Bonds are subject to mandatory purchase pursuant to the Indenture on the date such Daily Interest Rate Period is to become effective whether or not such adjustment actually occurs and the purchase price therefor, and (D) the procedures for such purchase and the payment of the purchase price.

Weekly Interest Rate. (i) During each Weekly Interest Rate Period, the Bonds will bear interest at the Weekly Interest Rate, which will be determined by the Remarketing Agent by no later than 9:30 a.m., New York City time, on the first day of each new Weekly Interest Rate Period and, thereafter, by no later

than 9:30 a.m., New York City time, on the Business Day next preceding Wednesday of each week during such Weekly Interest Rate Period. The Weekly Interest Rate will be the rate determined by the Remarketing Agent under then prevailing market conditions to be the minimum interest rate which, if borne by the Bonds on the effective date of such rate, would enable the Remarketing Agent to sell the Bonds on such date at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that (A) if the Remarketing Agent will not have determined a Weekly Interest Rate for any period, the Weekly Interest Rate for such period will be the same as the Weekly Interest Rate for the immediately preceding period and (B) in no event will the Weekly Interest Rate exceed the Cap Rate. The first Weekly Interest Rate determined for each Weekly Interest Rate Period will apply to the period commencing on the first day of such period and ending on the next succeeding Tuesday. Thereafter, each Weekly Interest Rate will apply to the period commencing on each Wednesday and ending on the next succeeding Tuesday; provided, however, if a Weekly Interest Rate Period will end on a day other than Tuesday, the last Weekly Interest Rate for such Weekly Interest Rate Period will apply to the period commencing on the Wednesday preceding the last day of such Weekly Interest Rate Period and ending on such last day. The Remarketing Agent will provide the Company and the Trustee with immediate telephonic notice of each Weekly Interest Rate, as determined, which notice will be confirmed in writing by the close of business on the last Business Day of each month. The Trustee will (1) calculate the amount of interest to be paid on each Interest Payment Date in respect of a Weekly Interest Rate Period, and the Remarketing Agent will confirm such interest calculation, and (2) notify the Company of the amount of interest to be paid on each such Interest Payment Date as soon as practicable but in any event no later than the Business Day preceding the related Interest Payment Date.

(ii) Subject to compliance with the provisions of the Indenture, at any time, the Company, by written direction to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, may elect that the Bonds will bear interest at a Weekly Interest Rate. Such direction will specify the effective date of such adjustment to a Weekly Interest Rate (which will be (A) a Business Day not earlier than the 15th day following the fifth Business Day after the date of receipt by the Trustee of such direction, (B) in the case of an adjustment from a Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the Bonds would be redeemable at the direction of the Company pursuant to the Indenture if such adjustment did not occur, and (C) in the case of an adjustment from a Flexible Interest Rate Period, the day immediately following the last day of the then current Flexible Interest Rate Period). During each Weekly Interest Rate Period, which will commence on a date so specified or determined and which will end on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Bonds will be a Weekly Interest Rate.

(iii) The Trustee will give notice of an adjustment to a Weekly Interest Rate Period to Bondholders (with a copy to the Company) by first-class mail, postage prepaid, not less than 15 days prior to the date such Weekly Interest Rate Period is to become effective. Such notice will state (A) that the interest rate on the Bonds is to be adjusted to a Weekly Interest Rate (subject to the Company's ability to rescind its election as described in the Indenture, (B) the date such Weekly Interest Rate Period is to become effective, (C) that the Bonds are subject to mandatory purchase pursuant to the Indenture on the date such Weekly Interest Rate Period is to become effective whether or not such adjustment actually occurs and the purchase price therefor, and (D) the procedures for such purchase and the payment of the purchase price.

Monthly Interest Rate. (i) During each Monthly Interest Rate Period, the Bonds will bear interest at the Monthly Interest Rate, which will be determined by the Remarketing Agent by no later than 9:30 a.m., New York City time, on the first day of each new Monthly Interest Rate Period and, thereafter, by no later than the Business Day next preceding the first Business Day of each calendar month thereafter during such Monthly Interest Rate Period. During a Monthly Interest Rate Period, no Monthly Interest Rate Period will



end on a date later than the fifth Business Day preceding the Stated Expiration Date of the Credit Facility then in effect. The Monthly Interest Rate will be the rate determined by the Remarketing Agent under then prevailing market conditions to be the minimum interest rate which, if borne by the Bonds on the effective date of such rate, would enable the Remarketing Agent to sell the Bonds on such date at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that (A) if the Remarketing Agent will not have determined a Monthly Interest Rate for any period, the Monthly Interest Rate for such period will be the same as the Monthly Interest Rate for the immediately preceding period and (B) in no event will the Monthly Interest Rate exceed the Cap Rate. The first Monthly Interest Rate determined for each Monthly Interest Rate Period will apply to the period commencing on the first day of such period and ending on the day preceding the first Business Day of the next succeeding calendar month. Thereafter, each Monthly Interest Rate will apply to the period commencing on the first Business Day of each calendar month and ending on the day preceding the first Business Day of the next succeeding calendar month. The Remarketing Agent will provide the Company and the Trustee with immediate telephonic notice of each Monthly Interest Rate, as determined, which notice will be confirmed in writing by the close of business on the last Business Day of each month. The Trustee will (1) calculate the amount of interest to be paid on each Interest Payment Date in respect of a Monthly Interest Rate Period, and the Remarketing Agent will confirm such interest calculation, and (2) notify the Company of the amount of interest to be paid on each such Interest Payment Date as soon as practicable but in any event no later than the Business Day preceding the related Interest Payment Date.

(ii) Subject to compliance with the provisions of the Indenture, at any time, the Company, by written direction to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, may elect that the Bonds will bear interest at a Monthly Interest Rate. Such direction will specify the effective date of such adjustment to a Monthly Interest Rate (which will be (A) a Business Day not earlier than the 15th day following the fifth Business Day after the date of receipt by the Trustee of such direction, (B) in the case of an adjustment from a Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the Bonds would be redeemable at the direction of the Company pursuant to the Indenture if such adjustment did not occur, and (C) in the case of an adjustment from a Flexible Interest Rate Period, the day immediately following the last day of the then current Flexible Interest Rate Period). During each Monthly Interest Rate Period, which will commence on a date so specified or determined and which will end on the day immediately preceding the effective date of the next succeeding Interest Rate Period, the interest rate borne by the Bonds will be a Monthly Interest Rate.

(iii) The Trustee will give notice of an adjustment to a Monthly Interest Rate Period to Bondholders (with a copy to the Company) by first-class mail, postage prepaid, not less than 15 days prior to the date such Monthly Interest Rate Period is to become effective. Such notice will state (A) that the interest rate on the Bonds is to be adjusted to a Monthly Interest Rate (subject to the Company's ability to rescind its election as described in the Indenture), (B) the date such Monthly Interest Rate Period is to become effective, (C) that the Bonds are subject to mandatory purchase pursuant to the Indenture on the date such Monthly Interest Rate Period is to become effective whether or not such adjustment actually occurs and the purchase price therefor, and (D) the procedures for such purchase and the payment of the purchase price.

*Flexible Segments and Flexible Interest Rates.* (i) During each Flexible Interest Rate Period, each Bond will bear interest during each Flexible Segment for such Bond at the Flexible Interest Rate for such Bond as described in the Indenture. Different Flexible Segments may apply to different Bonds at any time and from time to time. Each Flexible Segment for each Bond will be a period of at least one day and not more than 270 days ending on a day that immediately precedes a Business Day, determined by the Remarketing Agent to be the period which, together with all such other Flexible Segments for all Bonds then Outstanding,

will result in the lowest overall interest expense on the Bonds over the next succeeding 270 days. No Flexible Segment will end on a date later than the fifth Business Day prior to the Stated Expiration Date of the Credit Facility then in effect. The Flexible Interest Rate for each Flexible Segment for each Bond will be determined by the Remarketing Agent by no later than 1:00 p.m., New York City time, on the first day of such Flexible Segment to be the minimum interest rate which, if borne by the Bond on the effective date of such rate, would enable the Remarketing Agent to sell such Bond on such date at a price equal to the principal amount thereof (without regard to accrued interest). If a Flexible Segment or a Flexible Interest Rate for a Flexible Segment is not determined or effective, the Flexible Segment for such Bond will be a Flexible Segment of one day, and the interest rate for such Flexible Segment of one day will be 110% of the most recent PSA Municipal Swap Index theretofore published in The Bond Buyer (or, if The Bond Buyer is no longer published or no longer publishes the PSA Municipal Swap Index, the variable rate index contained in the publication determined by the Remarketing Agent as most comparable to The Bond Buyer). In no event will the Flexible Interest Rate for any Flexible Segment exceed 12% per annum. The Remarketing Agent will provide the Trustee with immediate telephonic notice by 2:45 p.m., New York City time, of each Flexible Segment and Flexible Interest Rate on the first day of each such Flexible Segment, as determined.

(ii) Subject to compliance with the provisions of the Indenture, at any time, the Company, by written direction to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, may elect that the Bonds will bear interest at Flexible Interest Rates. Such direction will specify the effective date of the Flexible Interest Rate Period during which the Bonds will bear interest at Flexible Interest Rates (which will be (A) a Business Day not earlier than the 15th day following the fifth Business Day after the date of receipt by the Trustee of such direction, and (B) in the case of an adjustment from a Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the Bonds would be redeemable at the direction of the Company pursuant to the Indenture if such adjustment did not occur). During each Flexible Interest Rate Period commencing on the date so specified and ending, with respect to each Bond, on the day immediately preceding the effective date of the next succeeding Interest Rate Period with respect to such Bond, each Bond will bear interest at a Flexible Interest Rate during each Flexible Segment for such Bond.

(iii) The Trustee will give notice of an adjustment to a Flexible Interest Rate Period to Bondholders (with a copy to the Company) by first-class mail, postage prepaid, not less than 15 days prior to the effective date of such Flexible Interest Rate Period. Such notice will state (A) that during such Flexible Interest Rate Period each Bond will have consecutive Flexible Segments during each of which such Bond will bear a Flexible Interest Rate (subject to the Company's ability to rescind its election as described in the Indenture), (B) the date such Flexible Interest Rate Period is to become effective, (C) that the Bonds are subject to mandatory purchase pursuant to the Indenture on such effective date whether or not such adjustment actually occurs and the purchase price therefor, and (D) the procedures for such purchase and the payment of the purchase price.

(iv) As a condition precedent to the Company's election during a Flexible Interest Rate Period to adjust to a different Interest Rate Period for the Bonds pursuant to the Indenture, the Remarketing Agent will determine Flexible Segments of such duration that, as soon as possible, all Flexible Segments will end on the same date, not later than the 14th day following the fifth Business Day after the receipt by the Trustee of the direction of the Company effecting such election. The date on which all Flexible Segments so determined will end will be the last day of the then current Flexible Interest Rate Period and the day next succeeding such date will be the effective date of the Daily Interest Rate Period, the Weekly Interest Rate Period, the Monthly Interest Rate Period or the Term Rate Period elected by the Company. The Remarketing

Agent, promptly upon the determination thereof, will give written notice of such last day and such effective dates to the Issuer, the Company, the Credit Provider and the Trustee.

*Term Rate.* (i) During each Term Rate Period (which will be six months or any whole multiple thereof), the Bonds will bear interest at a Term Rate, which will be determined by the Remarketing Agent not more than ten (10) days nor less than three (3) days prior to the effective date of such Term Rate Period. The Term Rate will be the rate determined by the Remarketing Agent under then prevailing market conditions to be the minimum interest rate which, if borne by the Bonds on the effective date of such Term Rate, would enable the Remarketing Agent to sell the Bonds on such date at a price (without regard to accrued interest) equal to the principal amount thereof; provided, however, that in no event will the Term Rate exceed the Cap Rate. The Remarketing Agent will provide the Company and the Trustee with immediate telephonic notice of the Term Rate, as determined, which notice will be promptly confirmed in writing. The Trustee will (1) calculate the amount of interest to be paid on each Interest Payment Date in respect of a Term Rate Period, and the Remarketing Agent will confirm such interest calculation, and (2) notify the Company of the amount of interest to be paid on each such Interest Payment Date as soon as practicable but in any event no later than the Business Day preceding the related Interest Payment Date.

(ii) Subject to compliance with the provisions of the Indenture, at any time, the Company, by written direction to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent, may elect that the Bonds will bear interest at a Term Rate. Such direction (A) will specify the effective date of such adjustment to a Term Rate (which date will be (1) a Business Day not earlier than the 15th day following the fifth Business Day after the date of receipt by the Trustee of such direction, (2) any Interest Payment Date during a Daily Interest Rate Period, a Weekly Interest Rate Period or a Monthly Interest Rate Period, (3) in the case of an adjustment from a Flexible Interest Rate Period, the day immediately following the last day of the then current Flexible Interest Rate Period, and (4) in the case of an adjustment from a Term Rate Period, the day immediately following the last day of the then current Term Rate Period or a day on which the Bonds would be redeemable at the direction of the Company pursuant to the Indenture if such adjustment did not occur); and (B) will specify the proposed duration of the Term Rate Period, which will be six (6) months or any whole multiple thereof, will terminate on the date immediately prior to an Interest Payment Date and will not end on a date later than the fifth Business Day prior to the Stated Expiration Date of the Credit Facility to be in effect and such Credit Facility must provide for the payment thereunder of any premium which could become due on the Bonds during such Term Rate Period. Notwithstanding anything in the Indenture to the contrary, no conversion to a Term Rate Period can occur if upon such conversion to the Term Rate there will exist any Pledged Bonds. During each Term Rate Period which will commence on a date so specified and which will end on a date so specified, the interest rate borne by the Bonds will be a Term Rate.

(iii) The Trustee will give notice of an adjustment to a Term Rate to Bondholders (with a copy to the Company) by first-class mail, postage prepaid, not less than 15 days prior to the date such Term Rate Period is to become effective. Such notice will state (A) that the interest rate on the Bonds is to be adjusted to a Term Rate (subject to the Company's ability to rescind its election as described in the Indenture), (B) the date such Term Rate is to become effective and the duration of such Term Rate Period, (C) that the Bonds are subject to mandatory purchase pursuant to the Indenture on the date such Term Rate is to become effective whether or not such adjustment actually occurs and the purchase price therefor, and (D) the procedures for such purchase and the payment of the purchase price.

*Determinations Binding.* The determination of each Daily Interest Rate, Weekly Interest Rate, Monthly Interest Rate and Term Rate and each Flexible Segment and Flexible Interest Rate by the Remarketing Agent, will (in the absence of manifest error) be conclusive and binding upon the Remarketing

Agent, the Trustee, the Issuer, the Company, the Credit Provider and the Bondholders, and each will be protected in relying thereon.

*Rescission of Election; Automatic Adjustment.* Notwithstanding anything in the Indenture to the contrary, the Company may rescind any election by it to adjust to an Interest Rate Period pursuant to the Indenture prior to the effective date of such adjustment by giving written notice thereof to the Issuer, the Trustee, the Credit Provider and the Remarketing Agent prior to such effective date. If the Trustee receives notice of such rescission prior to the time the Trustee has given notice to Bondholders of the change in Interest Rate Periods pursuant to the Indenture, then such notice of adjustment will be of no force and effect and will not be given to Bondholders. If the Trustee receives notice of such rescission after the Trustee has given notice to Bondholders of the change in Interest Rate Periods pursuant to the Indenture or if an attempted adjustment from one Interest Rate Period to another Interest Rate Period does not become effective for any other reason, then the Interest Rate Period for the Bonds will automatically adjust to a Daily Interest Rate Period and the Trustee will immediately give notice thereof to the Bondholders. The Trustee will immediately give written notice of each such automatic adjustment to an Interest Rate Period pursuant to the Indenture to Bondholders in the form provided in the Indenture. Notwithstanding the rescission of any notice to adjust or continue an Interest Rate Period, if notice has been given to Bondholders pursuant to the Indenture, the Bonds will be subject to mandatory purchase as specified in such notice.

*Credit Facility Coverage.* It will be an additional condition precedent to the election to convert to a different Interest Rate Period that the Credit Facility be available to pay the relevant Credit Facility Interest Amount and in the case of conversion to a Term Rate that the Credit Facility must expire after the latest date of such Term Rate Period.

### **Mutilated, Lost, Stolen or Destroyed Bonds**

In the event any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Trustee shall authenticate a new Bond of like Authorized Denomination as that mutilated, lost, stolen or destroyed bearing a number not contemporaneously then outstanding; provided, that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Issuer, the Trustee and the Company evidence of such loss, theft or destruction satisfactory to the Issuer, the Trustee and the Company, together with indemnity, insurance or surety satisfactory to each of them. In the event any such Bond shall have matured or is to mature within fifteen (15) days of the request for a new Bond, instead of issuing a duplicate Bond, the Issuer may pay the same on the appropriate date. The Issuer and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection.

## **REDEMPTION OF BONDS BEFORE MATURITY**

### **Certain Redemption Dates and Prices**

*Optional Redemption.* On any Business Day during a Daily Interest Rate Period or a Weekly Interest Rate Period, on any Interest Payment Date during a Monthly Interest Rate Period and on any Rate Adjustment Date, the Bonds shall be subject to optional redemption by the Issuer with Available Moneys, at the written direction of the Company and with the written consent of the Bank, in whole or in part, at 100% of the principal amount thereof, plus accrued interest, if any, to the redemption date.

During any Term Rate Period of a duration set forth below, the Bonds shall be subject to optional redemption by the Issuer with Available Moneys, at the written direction of the Company and with the written consent of the Credit Provider, in whole at any time, or in part on any Interest Payment Date, during the periods set forth below, at the respective redemption prices set forth below expressed as percentages of the principal amount of the Bonds called for redemption (such prices declining each year until such redemption price is equal to 100% of the principal amount of the Bonds), plus accrued interest, if any, to the redemption date:

<u>Length of Term Rate Period</u>	<u>No-Call Period</u>	<u>Redemption Price</u>	<u>No Premium</u>
10 or more years	First 7 years after Rate Adjustment Date	102% (reducing 1% each year to par)	10th year and thereafter
5 or more years (but less than 10)	First 5 years after Rate Adjustment Date	102% (reducing 1% each year to par)	8th year and thereafter
less than 5 years	No call	—	—

If the length of any Term Rate Period is less than five (5) years, the Bonds shall be subject to optional redemption at the direction of the Company only upon the occurrence of an Extraordinary Optional Redemption relating to damage, destruction, condemnation, sale, economic viability or use of the Project.

At the election of the Company, contained in the direction to adjust the interest rate on the Bonds to a Term Rate from the Company to the Issuer, the Trustee, the Bank and the Remarketing Agent described in the Indenture, the Bonds may be subject to optional redemption during the related Term Rate Period on terms different from those set forth above and as shall be specified in such direction, but only if such direction shall be accompanied by an opinion of Bond Counsel to the effect that such change in the redemption features is authorized and permitted by the Lease Agreement and the Indenture and will not adversely affect the validity of the Bonds.

Extraordinary Optional Redemption. The Bonds shall be subject to extraordinary optional redemption by the Issuer with Available Moneys, at the written direction of the Company on any date in whole but not in part, at a redemption price of 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, within one hundred and eighty (180) days after the Company has notice or actual knowledge of the occurrence of any one of the following events:

- (i) the Project shall have been damaged or destroyed (in whole or in part) by fire or other casualty to such extent that in the opinion of the Company it is not practicable or desirable to rebuild, repair or restore the Project; or
- (ii) title to, or the temporary use of, all or substantially all the Project shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority; or
- (iii) changes in the economic availability of raw materials, operating supplies or facilities necessary for the operation of the Project shall have occurred or such technological or environmental or other changes shall have occurred which in the Company's judgment render the continued operation of the Project uneconomic.

*Mandatory Redemption Upon Proceeds Remaining in Construction Fund.* The Bonds shall be subject to mandatory redemption by the Issuer with Available Moneys, as a whole or in part (in Authorized Denominations) to the extent of moneys remaining in the Construction Fund, at a redemption price of 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, on any date within ninety (90) days after the Company has notice or actual knowledge that proceeds of the Bonds, including income from the investment thereof, shall have remained after payment of the Cost of the Project. The principal amount of the Bonds to be redeemed will be a principal amount equal to the lowest Authorized Denomination equal to or in excess of the remaining proceeds of the Bonds, including income from the investment thereof.

*Mandatory Redemption Upon Unenforceability of Lease Agreement.* The Bonds shall be subject to mandatory redemption by the Issuer with Available Moneys as a whole and not in part, at a redemption price of 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, on any date within one hundred and eighty (180) days after the Company has notice or actual knowledge that as a result of any changes in the Constitution of the State or the Constitution of the United States of America or by legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal), the Lease Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Lease Agreement.

*Purchase in Lieu of Redemption.* In accordance with the Indenture, the Company may elect to purchase any Bonds with Available Moneys that have been called for redemption as described above on the redemption date by giving the Trustee, the Issuer, the Bank and the Remarketing Agent written notice at least two (2) Business Days prior to the date the Bonds are to be redeemed. Any Bonds so purchased by the Company cannot be sold or transferred by the Company (or anyone acting on its behalf) until the Company delivers to the Issuer, the Trustee, the Bank and the Remarketing Agent an opinion of counsel that none of the Bonds, the Lease Agreement nor the Credit Facility then in effect are subject to registration under the Securities Act of 1933, as amended..

*Sources of Available Moneys for Redemption; Credit Facility.* The Trustee will, in accordance with the Indenture, take such action as is required under the Credit Facility then in effect to realize moneys thereunder to prepay the principal of, premium and accrued interest on the Bonds payable under the Indenture with the terms of such Credit Facility.

### **Partial Redemption of Bonds**

Upon a partial redemption of Bonds, the Bonds to be redeemed shall be selected in such manner as shall be designated by the Trustee; provided that Pledged Bonds and Company Bonds, in that order, shall be first subject to redemption prior to any other Bonds which may be selected for redemption. In the case of a partial redemption of Bonds prior to maturity when Bonds of denominations greater than the minimum Authorized Denomination are then outstanding, then for all purposes in connection with such redemption, each minimum Authorized Denomination of each Bond shall be treated as though it were a separate Bond. If it is determined that one or more, but not all, of the minimum Authorized Denominations represented by any Bond is to be called for redemption, then upon notice of redemption of such minimum Authorized Denomination or Denominations, the owner of such Bond shall forthwith surrender such Bond to the Trustee (1) for payment of the redemption price (including the premium, if any, and interest, if any, to the date fixed for redemption) of the minimum Authorized Denomination or Denominations called for redemption, and (2) for exchange, without charge to the owner thereof, for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, to the extent possible, provided that after the

redemption date all Bonds will be in Authorized Denominations. If the owner of any such Bond of a denomination greater than the minimum Authorized Denomination fails to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the redemption date to the extent of the minimum Authorized Denomination or Denominations called for redemption (and to that extent only); interest shall cease to accrue on the portion of the principal amount of such Bond represented by such minimum Authorized Denomination or Denominations on and after the date fixed for redemption and (Available Moneys in an amount sufficient for the payment of the redemption price having been deposited with the Trustee, and being available for the redemption of said minimum Authorized Denomination or Denominations on the date fixed for redemption) such Bond shall not be entitled to the benefit or security of the Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption) represented by such minimum Authorized Denomination or Denominations nor shall new Bonds be thereafter issued corresponding to said minimum Authorized Denomination or Denominations.

### **Notice of Redemption**

*Official Notice.* Notice of the call for any redemption shall be given by the Trustee, at the direction of the Company (which direction shall be in writing), by mailing a copy of the redemption notice by first-class mail, postage prepaid, at least thirty (30) days, but not more than sixty (60) days, prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed as a whole or in part at the address shown on the registration books of the Issuer maintained by the Trustee; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bond, or portion thereof with respect to which no such failure or defect has occurred. In addition, the Trustee may give such other notice or notices as may be recommended in releases, letters, pronouncements or other writings of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. Failure to receive any such Notice or any defect therein shall not affect the validity of any proceeding for the redemption of any Bond. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) the identification, including complete designation and issue date of the series of Bonds of which such Bonds are a part and the CUSIP number (and in the case of partial redemption, the respective principal amounts), interest rate and maturity date of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond, and that interest thereon shall cease to accrue from and after said date, and
- (5) the name and address of the Trustee for such Bonds, including the place where such Bonds are to be surrendered for payment of the redemption price.

With respect to any notice of optional redemption of Bonds, unless upon the giving of such notice such Bonds shall be deemed to have been paid under the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of

Available Moneys sufficient to pay the principal of, and premium, if any, and interest on, such Bonds to be redeemed, and that if such Available Moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such Available Moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such Available Moneys were not so received.

*Additional Notice of Redemption.* The Trustee shall also give notice of redemption in the form described above. No defect in such redemption notice nor any failure to give all or any portion of such redemption notice as provided in this paragraph shall in any manner defeat the effectiveness of a call for redemption. Such redemption notice shall be sent at least thirty (30) days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Bonds identified to the Trustee by the Company and to one or more national information services identified to the Trustee by the Company that disseminates notices of redemption of obligations such as the Bonds.

### **Purchase of Bonds at Option of Bondholder**

*Daily Interest Rate Period.* During any Daily Interest Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased from the owner thereof by the Trustee on any Business Day at a purchase price equal to the principal amount thereof to be purchased plus accrued interest, if any, to the date of purchase, upon (i) delivery by the owner thereof to the Trustee at its Principal Office, by no later than 11:00 a.m., New York City time, on such Business Day, of an irrevocable written notice or an irrevocable telephonic notice, promptly confirmed by telecopy or other writing, which states the principal amount and number of such Bond and portion thereof (in any Authorized Denomination) to be purchased and the date on which such Bond shall be purchased, and (ii) delivery of such Bond to the Trustee at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the owner thereof with the signature of such owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 12:00 noon, New York City time, on such Business Day.

*Weekly Interest Rate Period.* During any Weekly Interest Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased from the owner thereof by the Trustee on any Business Day at a purchase price equal to the principal amount thereof to be purchased plus accrued interest, if any, to the date of purchase, upon (i) delivery by the owner thereof to the Trustee at its Principal Office of an irrevocable written notice (which may be by telecopy), which states the principal amount and number of such Bond and portion thereof (in any Authorized Denomination) to be purchased and the date on which the same shall be purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Trustee, and (ii) delivery of such Bond to the Trustee at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the owner thereof with the signature of such owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 10:00 a.m., New York City time, on the date specified in such notice.

*Monthly Interest Rate Period.* On any Interest Payment Date during a Monthly Interest Rate Period, any Bond or portion thereof in an Authorized Denomination shall be purchased from the owner thereof by the Trustee at a purchase price equal to the principal amount thereof to be purchased upon (i) delivery by the owner thereof to the Trustee at its Principal Office on any Business Day, at least three Business Days prior to such Interest Payment Date, of an irrevocable written notice (which may be by telecopy), which



states the principal amount and number of such Bond and portion thereof (in any Authorized Denomination) to be purchased and the Interest Payment Date on which the same shall be purchased, and (ii) delivery of such Bond to the Trustee at its Principal Office, accompanied by an instrument of transfer thereof, in form satisfactory to the Trustee, executed in blank by the owner thereof with the signature of such owner guaranteed by a bank, trust company or member firm of the New York Stock Exchange, at or prior to 12:00 noon, New York City time, on the Interest Payment Date.

*Unsurrendered Bonds; Notices.* Any Bond for which a notice of tender shall have been given pursuant to the Indenture but which is not tendered to the Trustee on the date provided in the Indenture but for which there has been irrevocably deposited in the Bond Purchase Fund Available Moneys in an amount sufficient to pay the purchase price thereof and all other Bonds tendered or deemed tendered for purchase on such specified purchase date, shall be deemed to have been tendered by the owner thereof and purchased from such owner on the specified purchase date and the owner of any such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after the specified purchase date. The Trustee will issue a new Bond or Bonds in the same aggregate principal amount of any Unsurrendered Bonds which are not tendered for purchase on any specified purchase date and, upon receipt by the Trustee of any such Unsurrendered Bonds from the owner thereof, the Trustee shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and such Unsurrendered Bonds shall be canceled as provided in the Indenture. The Trustee will, in its sole discretion, determine whether, with respect to any Bond, the owner thereof shall have properly exercised the option to have his Bond purchased as a whole or in part.

If any such notice of tender for purchase shall have been given to the Trustee pursuant to the Indenture, the Trustee will immediately give telephonic or telecopier notice, promptly confirmed by a written notice, to the Remarketing Agent, the Credit Provider and the Company on the same date that the Trustee receives notice of the tender for purchase, if possible, or on the immediately following Business Day, specifying the principal amount of Bonds as to which notice of tender for purchase has been given and the proposed date of purchase. On the specified purchase date, the Trustee shall purchase, or cause to be purchased, all Bonds as to which written notices (or telephonic in the case of a Daily Rate Period) of tender for purchase have been received at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon.

*Notices to Trustee by Beneficial Owners.* So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes under the Indenture. A Beneficial Owner (through its Direct Participant in DTC) shall give notice to the Trustee to elect to have its Bonds purchased, and shall effect delivery of such Bonds by causing such Direct Participant to transfer its interest in the Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the Trustee with DTC. The requirement for physical delivery of the Bonds in connection with a demand for purchase under the Indenture shall be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC.

*Payment of Purchase Price.* Funds for payment of the purchase price of Bonds tendered for purchase shall be withdrawn by the Trustee from the Bond Purchase Fund as provided in the Indenture and, in certain instances, from the Bond Fund – Credit Facility Account as provided in the Indenture.

### **Mandatory Purchase of Bonds**

End of Flexible Segment. Each Bond in a Flexible Interest Rate Period is subject to mandatory purchase with Available Moneys in accordance with the Indenture on the day next succeeding the last day of each Flexible Segment thereof at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase. Bonds purchased in this manner shall be delivered by the owners thereof (with all necessary endorsements) to the Principal Office of the Trustee, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date. Payment of the purchase price shall be made with Available Moneys only against delivery of such Bond by wire transfer of immediately available funds by the close of business on the purchase date. The Trustee will not give notice of any Mandatory Purchase Date for mandatory purchases described in this paragraph.

Rate Adjustment Date. The Bonds are subject to mandatory purchase with Available Moneys in accordance with the Indenture on each Rate Adjustment Date at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase; provided, however, that if during a Term Rate Period the interest rate on the Bonds is adjusted to any other Interest Rate Period as provided in the Indenture on a day on which the Bonds would be subject to optional redemption at the direction of the Company if such adjustment had not occurred, then the purchase price shall be equal to the redemption price that would have been payable on such redemption date in accordance with the Indenture. Bonds purchased pursuant to this paragraph shall be delivered by the owners thereof (with all necessary endorsements) to the Principal Office of the Trustee, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date. Payment of the purchase price shall be made with Available Moneys only against delivery of such Bond by wire transfer of immediately available funds by the close of business on the purchase date, except in the case of the day next succeeding the last day of a Term Rate Period in which case such payment shall be made in next day funds by check of the Trustee mailed by the close of business on the purchase date or by wire transfer to the Registered Owner thereof in the event that such Registered Owner is the Owner of at least \$1,000,000 in aggregate principal amount of Bonds and shall have given written notice to the Trustee directing the Trustee to make such payment of the purchase price by wire transfer and identifying the location and the number of the account to which such payment should be wired. The Trustee shall give notice of any Mandatory Purchase Date described in this paragraph as part of the adjustment notice to a new Interest Rate Period.

Expiration Date. In the event that on or prior to the thirtieth (30th) day next preceding the Expiration Date, the Company has failed to deliver to the Trustee an Alternate Letter of Credit in accordance with the requirements of the Lease Agreement meeting all the requirements of the Lease Agreement, the Bonds shall be subject to mandatory purchase with Available Moneys in accordance with the Indenture on the date which is two Business Days prior to the Expiration Date at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase; provided, however, that if the Expiration Date is also a Rate Adjustment Date, then the Bonds shall be subject to mandatory purchase on the Expiration Date. Bonds purchased in accordance herewith shall be delivered by the owners thereof (with all necessary endorsements) to the Principal Office of the Trustee, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date.

No later than the fifteenth (15th) day next preceding any Mandatory Purchase Date due to the Expiration Date and no later than the fifteenth (15th) day next preceding any replacement of the Credit Facility, the Trustee shall give notice by first-class mail, postage prepaid, to the owners of the Bonds, the Issuer, the Company and the Remarketing Agent stating (i) that the Credit Facility is expiring and will not be replaced (which will result in the Bonds not being remarketed) or is being replaced with an Alternate Letter of Credit, as the case may be, (ii) in the case of replacement, generally describing the replacement Alternate

Letter of Credit and (iii) that the Bonds will be subject to mandatory purchase on such Mandatory Purchase Date (specifying the date and the procedures to be followed).

*Event of Default Under Credit Agreement.* The Bonds are subject to mandatory purchase with Available Moneys in accordance with the Indenture at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, to the date of purchase not later than 5:00 p.m., New York City time, on the third Business Day following the Trustee's receipt of written notice from the Credit Provider that (1) the Company has failed to reimburse the Credit Provider, or cause it to be reimbursed, in cash for the amount of a payment drawn under the Credit Facility for a scheduled payment of interest on the Bonds and, accordingly, the amount available to be drawn under the Credit Facility for the payment of interest on the Bonds has not been reinstated or (2) an event of default has been declared under the Credit Agreement, and, in each case, directing the Trustee as a result thereof to purchase all outstanding Bonds by no later than 5:00 p.m., New York City time, on the third Business Day following receipt of such notice. Bonds purchased pursuant to this paragraph shall be delivered by the owners thereof (with all necessary endorsements) to the Principal Office of the Trustee, at or before 12:00 noon, New York City time, on the Mandatory Purchase Date, in which case payment of the purchase price shall be made with Available Moneys by wire transfer of immediately available funds by the close of business on the Mandatory Purchase Date.

No later than the fifth (5th) Business Day following receipt of either of the notices described in items (1) or (2) of the first sentence of the preceding paragraph, the Trustee shall give notice by first-class mail, postage prepaid, to the owners of the Bonds, the Issuer, the Company and the Remarketing Agent stating that the Credit Facility has not been reinstated or that an event of default has been declared under the Credit Agreement, as the case may be, and that the Bonds will be (or were if the notice is given after such event) purchased on the Mandatory Purchase Date (specifying the date and the procedures to be followed).

*Notices to Trustee by Beneficial Owners.* So long as the Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the owner of the Bonds for all purposes under the Indenture. A Beneficial Owner (through its Direct Participant in DTC) shall give notice to the Trustee to elect to have its Bonds purchased, and shall effect delivery of such Bonds by causing such Direct Participant to transfer its interest in the Bonds equal to such Beneficial Owner's interest on the records of DTC to the participant account of the Trustee with DTC. The requirement for physical delivery of the Bonds in connection with a demand for purchase under the Indenture shall be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on the records of DTC.

*Unsurrendered Bonds.* If there has been irrevocably deposited in the Bond Purchase Fund Available Moneys in an amount sufficient to pay the purchase price of all Bonds tendered or deemed tendered for purchase on a Mandatory Purchase Date, the owner of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond on and after such Mandatory Purchase Date, and all such Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased pursuant to the Indenture on such Mandatory Purchase Date. The Trustee shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Mandatory Purchase Date and, upon receipt of any such Unsurrendered Bonds from the owners thereof, the Trustee shall pay the purchase price of such Unsurrendered Bonds to the owners thereof and such Unsurrendered Bonds shall be canceled as provided in the Indenture. Funds for payment of the purchase price of such Bonds shall be withdrawn by the Trustee from the Bond Purchase Fund as provided in the Indenture and, in certain instances from the Bond Fund – Credit Facility Account as provided in the Indenture.

## **Remarketing of Bonds**

*Procedures for Remarketing of Bonds.* Unless an event of default under the Indenture has occurred and is continuing, or unless otherwise directed by the Company not to do so (and the Credit Provider has consented in writing to such request and provided a Credit Facility is then in effect), the Remarketing Agent will use its best efforts to remarket all Bonds tendered or deemed to be tendered for purchase pursuant to the Indenture (including, subject to the next sentence hereof, Pledged Bonds) at a purchase price equal to the principal amount thereof plus accrued interest, if any, thereon; provided, however, that the Remarketing Agent shall first select for remarketing any Pledged Bonds. The Remarketing Agent may not remarket any Bonds (including Pledged Bonds) to the Company, the Issuer or any Insider or Affiliate thereof known to it and shall not remarket any Bonds under any circumstances unless the Credit Facility is then in effect. Any such remarketing shall be on a best efforts basis by the Remarketing Agent and shall be at a purchase price equal to the principal amount of the Bonds so remarketed plus accrued interest, if any, thereon. The Company may at any time, with the written consent of the Credit Provider and upon written direction to the Remarketing Agent, direct the Remarketing Agent to cease or to resume, subject to the preceding sentence, the remarketing of some or all of the Bonds.

At or prior to 5:00 p.m., New York City time, on the Business Day immediately preceding any applicable purchase date which occurs with respect to a Weekly Interest Rate Period, a Monthly Interest Rate Period or a Term Rate Period, and by 12:30 p.m., New York City time on any applicable purchase date with respect to a Daily Interest Rate Period or a Flexible Segment, the Remarketing Agent shall give telephonic or telecopier notice, promptly confirmed in writing, to the Trustee, the Company and the Credit Provider (such written confirmation to be received by the Trustee by the close of business on such day), specifying or confirming (if no agreement with a Securities Depository is then in effect as provided in the Indenture) the names, addresses and taxpayer identification numbers of the new Registered Owners of, and the principal amount and denominations of, such Bonds, if any, remarketed by it pursuant to the Indenture, and also specifying the principal amount of Bonds to be purchased on such purchase date which it has not remarketed (if any) and the amount of accrued interest, if any, on such Bonds. The Remarketing Agent shall make appropriate settlement arrangements for the purchase of Bonds which have been remarketed pursuant to the Indenture, and shall direct the purchasers of such Bonds by appropriate instructions to pay all moneys for the purchase price of the Bonds which have been remarketed pursuant to the Indenture to the Trustee for deposit in the Bond Purchase Fund pursuant to the Indenture at or before 1:00 p.m., New York City time, on the purchase date. The Trustee shall deposit the proceeds of any such remarketing in the Bond Purchase Fund pursuant to the Indenture, and the Trustee shall hold and disburse such moneys pursuant to the Indenture. If any purchaser of remarketed Bonds fails to pay the purchase price of such Bonds to the Trustee at or before 1:00 p.m., New York City time, on such purchase date, the Trustee shall immediately give notice of such failure, and of the amount thereof, by telephone (to be subsequently confirmed in writing) or by confirmed facsimile transmission to the Company, the Remarketing Agent and the Credit Provider. If the Remarketing Agent fails to remarket any Bonds tendered or deemed tendered for purchase, or if any purchaser of remarketed Bonds fails to pay the purchase price thereof, the Trustee is required by the Indenture to take action under the Credit Facility to realize moneys thereunder to enable it to make timely payment of the purchase price of such Bonds.

*Draws on Letter of Credit if Remarketing Unsuccessful.* If the Remarketing Agent fails to remarket any Bonds tendered or deemed tendered for purchase, or if any purchaser of remarketed Bonds fails to pay the purchase price thereof, the Trustee is required by the Indenture to take action under the Credit Facility to realize moneys thereunder to enable it to make timely payment of the purchase price of such Bonds.

## **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

### **General**

The Bonds will constitute special obligations of the Issuer payable solely from, and secured by, the revenues pledged and assigned by the Indenture to secure the Bonds. Revenues include (i) all amounts payable pursuant to the Lease Agreement and all receipts of the Trustee credited under the provisions of the Indenture, including all moneys realized by the Trustee under a Credit Facility, including the Letter of Credit, to pay the principal of, premium, if any, and interest on the Bonds, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under the Indenture, amounts required to be paid by the Issuer pursuant to the Lease Agreement, and (iii) any amounts paid into the Bond Fund from the Construction Fund, including income on investments (collectively, the "Revenues").

THE BONDS AND THE INTEREST THEREON ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY THE REVENUES AND OTHER RECEIPTS DERIVED BY THE ISSUER FROM THE OWNERSHIP OF THE PROJECT, INCLUDING REVENUES AND RECEIPTS DERIVED UNDER THE LEASE AGREEMENT. THE BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE DEBT, LIABILITY OR OBLIGATION OF OR A PLEDGE OF THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION THEREOF, AND NEITHER THE FAITH AND CREDIT OF THE PARISH OF ST. CHARLES OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS.

### **The Letter of Credit**

The principal of and interest on the Bonds will be payable from the proceeds of draws under the Letter of Credit. The obligations of the Company to reimburse the Bank for such draws, as provided for in the Credit Agreement, in certain circumstances will be secured by the Bank Security Documents (see "INTRODUCTORY STATEMENT"). The Bank Security Documents will be for the sole benefit and security of the Bank and will not be for the benefit of or to secure the Trustee or the owners.

The Bonds are being offered solely on the basis of the Letter of Credit and the financial strength of the Bank and are not being offered on the basis of the financial strength of the Company or any other security. This Official Statement does not describe the financial condition of the Company or the Guarantor. The Bonds are subject to acceleration of maturity upon the occurrence of a default by the Company under the Credit Agreement, which defaults include default by the Company of its obligations under such Credit Agreement, but such defaults are not fully described herein. As a result of the foregoing prospective investors will not be able to evaluate the likelihood of a default by the Company under the Credit Agreement and resulting acceleration of the Bonds. PURCHASERS OF THE BONDS SHOULD MAKE THEIR DECISION TO INVEST IN THE BONDS SOLELY UPON THEIR ASSESSMENT OF THE CREDITWORTHINESS OF THE BANK.

### **The Guaranty Agreement**

The Bonds are also secured by the Guarantor pursuant to the Guaranty Agreement. The Guarantor unconditionally and irrevocably guarantees to the Trustee for the benefit of the holders of the Bonds, the full and prompt payment of principal of, premium, if any, and interest on the Bonds.

### **Subsequent Bonds**

Subsequent Bonds secured on a parity with the Bonds may be issued under the provisions of the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Subsequent Bonds" herein.

Enforceability of the provisions of the Bonds, the Lease Agreement, the Letter of Credit, the Guaranty Agreement and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium or other laws in effect from time to time affecting creditors' rights, and to the exercise of judicial discretion in accordance with general principles of equity.

IN THE EVENT OF A DEFAULT BY THE BANK UNDER THE LETTER OF CREDIT, NO INSURANCE PROCEEDS FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, INSTRUMENTALITY OR ISSUER WOULD BE AVAILABLE TO PAY BONDHOLDERS.

### **RISK TO BONDHOLDERS**

In addition to factors set forth elsewhere in this Official Statement, purchasers of Bonds should carefully consider the following risk factors in connection with investment in the Bonds.

1. The principal of (but not redemption premium) and up to forty-five (45) days' accrued interest on the Bonds (at the Cap Rate of twelve percent (12%) per annum) are secured by the Letter of Credit. The Letter of Credit expires on \_\_\_\_\_, 2005, which is prior to the final maturity of the Bonds, and unless at least thirty (30) days prior to such Expiration Date the Letter of Credit is renewed, replaced or extended, the Bonds are subject to mandatory tender for purchase on the date which is two Business Days prior to the expiration date at a purchase price equal to the principal amount thereof plus accrued interest, if any, to the date of purchase; provided that if the Expiration Date is also a Late Adjustment Date, the Bonds are subject to mandatory purchase on the Expiration Date. The mandatory purchase of Bonds on a Mandatory Purchase Date may not be waived. See "REDEMPTION OF BONDS BEFORE MATURITY - Mandatory Purchase of Bonds - *Expiration Date*," "SUMMARY OF CERTAIN PROVISIONS OF THE FRONT LETTER OF CREDIT" and "SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT" herein.

2. Upon the occurrence of certain events, including, but not limited to, (a) default by the Company of its obligations under the Lease Agreement, (b) default by the Company of its obligations under the Credit Agreement or (c) damage to or condemnation of all or a part of the Project, the Bonds may be subject to prepayment in whole or in part at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest. See "REDEMPTION OF BONDS BEFORE MATURITY – Certain Redemption Dates and Prices," "SUMMARY OF CERTAIN PROVISIONS OF THE FRONT LETTER OF CREDIT," "SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT," "SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" herein.

3. The Bonds are subject to optional purchase upon the conversion of the interest rate on the Bonds to a different Interest Rate Period and are subject to mandatory purchase upon failure to deliver an Alternate Letter of Credit or upon the delivery of an Alternate Letter of Credit not meeting the requirements of the Lease Agreement, at a purchase price equal to 100% of the principal amount thereof, plus accrued interest. See "REDEMPTION OF BONDS BEFORE MATURITY – Certain Redemption Dates and Prices."

4. The primary security for the Bonds is intended to be the Letter of Credit delivered by the Bank to the Trustee. As a consequence, no financial information in respect of the creditworthiness of the Company is included herein. Reference is hereby made to APPENDIX B hereto which contains certain financial information regarding the Bank. It is possible, in the event of the insolvency of the Bank, or the occurrence of some other event precluding the Bank from honoring its obligation to make payments as stated in the Letter of Credit, that the financial resources of the Company will be the only source of payment on the Bonds. There can be no assurance that the financial resources of the Company would be sufficient to pay the principal, premium, if any, and interest on the Bonds in the event the Trustee were forced to seek recourse against the Company.

5. Enforcement of remedies provided in the Indenture with respect to payments to be made by the Bank under the Letter of Credit may be limited by insolvency, bankruptcy or other laws relating to creditors' rights generally. The security provided by the Letter of Credit for payment of the principal of and up to forty-five (45) days' interest at the Cap Rate on the Bonds, or the purchase price of the Bonds, may be impaired in the event of a deterioration of the financial condition of the Bank, as the Letter of Credit represents a general claim against the assets of the Bank.

6. Performance by the Bank of its obligations under the Letter of Credit is subject to the satisfaction of certain conditions by the Trustee, as set forth in the Letter of Credit. Bondholders are thus dependent upon the Trustee acting to satisfy such conditions before they will receive the benefit of the Letter of Credit. Furthermore, the question of whether the Trustee has properly satisfied such conditions is a question of fact which, if disputed, could delay or defeat the Trustee's rights of enforcement of the Letter of Credit.

7. The United States Bankruptcy Code generally stays the enforcement of claims against the estate of a bankrupt once a petition in bankruptcy is filed. The Bank is required under the Letter of Credit to pay amounts sufficient to pay the principal of and up to forty-five (45) days' interest on the Bonds in the event the Bonds are accelerated due to the bankruptcy of the Company. However, it is possible in the event of a bankruptcy of the Company that a bankruptcy court could enjoin payments under the Letter of Credit.

8. The Guaranty Agreement.

9. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of Louisiana, the United States of America and other governmental authorities, including police powers exercised for the benefit of the public health and welfare, and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

10. The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## **SUMMARY OF CERTAIN PROVISIONS OF THE FRONT LETTER OF CREDIT**

### **[TO BE REVIEWED BY BANK COUNSEL]**

The Bank will issue the Front Letter of Credit simultaneously with the issuance of the Bonds to secure the payments under the Bonds as described below.

The following summarizes certain provisions of the Front Letter of Credit (the Front Letter of Credit will be issued in favor of the Trustee):

The Letter of Credit is an irrevocable obligation of the Bank to pay to the Trustee up to the total of the following amounts (the "Stated Amount"), upon the terms and conditions set forth in the Front Letter of Credit: (a) the outstanding principal amount of the Bonds as reduced or increased from time to time in accordance with the Front Letter of Credit (the "Principal Component") (i) to enable the Trustee to pay the principal amount of the Bonds when due at maturity, upon redemption or acceleration and (ii) to enable the Trustee to pay the portion of the purchase price of Bonds tendered to it and equal to the principal amount of such tendered Bonds, plus (b) an amount for accrued interest at a rate not to exceed 12% per annum (the "Cap Rate") on the outstanding Bonds for forty-five (45) days as reduced or increased from time to time in accordance with the Front Letter of Credit (the "Interest Component") (i) to enable the Trustee to pay the interest on the Bonds when due and (ii) to enable the Trustee to pay the portion, if any, of the purchase price of Bonds tendered to it equal to the accrued interest on such Bonds (such accrued interest is payable only when Bonds bear interest in the Weekly Interest Rate Period). **THE FRONT LETTER OF CREDIT DOES NOT SECURE THE PAYMENT OF ANY PREMIUMS ON THE BONDS.**

Pursuant to the Indenture, the Trustee is required to draw upon the Front Letter of Credit in the following circumstances:

- (a) to make timely payment of the principal of and interest on the Bonds;
- (b) to make timely payment of the redemption price (excluding any premium) of Bonds called for mandatory or optional redemption; and
- (c) to make timely payment of the purchase price of Bonds required to be purchased, as the result of an optional or mandatory tender, pursuant to the provisions of the Indenture, but only to the extent of a shortfall in remarketing proceeds.

The Front Letter of Credit will terminate upon the earliest to occur of the following (the "Termination Date"): \_\_\_\_\_, \_\_\_\_ with respect to the Supporting Letter of Credit (unless earlier terminated or extended in accordance with its terms), \_\_\_\_\_, \_\_\_\_\_ with respect to the Front Letter of Credit, (b) surrender of the Front Letter of Credit to the Letter of Credit Bank, accompanied by a certificate of the Trustee stating that no Bonds secured by the Front Letter of Credit are outstanding under the Indenture, or



(c) the effective date on which the Front Letter of Credit has been replaced by an Alternate Letter of Credit. The Letter of Credit Bank, at its sole discretion, may elect to extend the Termination Date at any time 45 or more days prior to the expiration of the initial term or the then current renewal term of the Front Letter of Credit.

In addition, the Supporting Letter of Credit will terminate (a) twenty days after the Supporting Letter of Credit Bank notifies the Trustee that an Event of Termination under the [Confirmation Agreement, dated as of September 1, 2002,] by and between the Front Letter of Credit Bank and the Supporting Letter of Credit Bank has occurred and (b) five days after a mandatory tender of the Bonds.

The Front Letter of Credit provides that its Stated Amount will be reduced each time the Letter of Credit Bank honors a draft thereunder. In the case of a drawing under the Front Letter of Credit to pay interest on the Bonds secured by the Front Letter of Credit, the Stated Amount will be reinstated five Business Days thereafter to an amount equal to such payment unless the Letter of Credit Bank notifies the Trustee that the Letter of Credit Bank will not so reinstate the Stated Amount. Receipt of such a notice is an Event of Default under the Indenture. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE - Events of Defaults and Remedies" herein. There will be no reinstatement of amounts drawn under the Front Letter of Credit to pay the principal amount of and accrued interest on Bonds due upon redemption, acceleration, scheduled maturity, or mandatory tender. In the case of a drawing under the Front Letter of Credit to pay the purchase price of the Bonds or Beneficial Ownership Interests therein, other than the purchase price of Bonds or Beneficial Ownership Interests therein tendered or deemed tendered on a mandatory tender, the Stated Amount of the Front Letter of Credit shall be reinstated by the amount of such drawing upon the Letter of Credit Bank's receipt of the remarketing proceeds of the Bonds which were purchased pursuant to such drawing. There will be no reinstatement of amounts drawn under the Front Letter of Credit to pay the purchase price of Bonds or Beneficial Ownership Interests tendered or deemed tendered on a mandatory tender.

### **Alternate Letter of Credit**

The Issuer, at its option, may cause to be delivered to the Trustee, as a replacement for the Front Letter of Credit and/or the Supporting Letter of Credit, an Alternate Letter of Credit (the "Alternate Letter of Credit"). Any such Alternate Letter of Credit must be issued by a bank, a trust company or other financial institution, must be the same in all material respects (except as to expiration date) as the Letter of Credit which is being replaced and must have an effective date (the "Replacement Date") as set forth below.

The Replacement Date may be any date selected by the Issuer, provided, however, that the Replacement Date selected by the Issuer will permit the Trustee to comply with appropriate notice and mandatory tender provisions (see "REDEMPTION OF BONDS BEFORE MATURITY - Mandatory Purchase of Bonds" herein). The term of the new letter of credit or other facility must end 20 days after an Interest Payment Date that is at least one year later. Prior to the replacement of a Letter of Credit with an Alternate Letter of Credit, the Trustee shall give notice to the Holders pursuant to the mandatory tender provisions of the Indenture. Any letter of credit or other facility delivered to the Trustee after the initial Letter of Credit must be accompanied by: (a) an opinion of Bond Counsel stating that delivery of the Letter of Credit or other facility is authorized under the Indenture and complies with its terms; (b) an opinion of counsel for the issuer of the Alternate Letter of Credit that it constitutes a legal, valid and binding obligation of the issuer in accordance with its terms; and (c) an opinion of counsel acceptable to the Trustee to the effect that payments under the Alternate Letter of Credit will not constitute voidable preferences in the event of a bankruptcy of the Company.

## **SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT**

### **[TO BE REVIEWED BY BANK COUNSEL]**

The following summarizes certain provisions of the Credit Agreement between the Front Letter of Credit Bank and the Company pursuant to which the Letter of Credit is issued. The Credit Agreement may contain slightly different provisions than those described below. Such discrepancies are not deemed to be material. Reference is hereby made to the Credit Agreement for the detailed provisions thereof.

#### **Issuance of Letter of Credit and Reimbursement**

Under the Credit Agreement, the Letter of Credit Bank will agree to issue the Letter of Credit to the Trustee concurrently with the issuance and delivery of the Bonds. The issuance of the Letter of Credit is subject to the satisfaction of certain conditions set forth in the Credit Agreement, including the receipt by the Letter of Credit Bank of various certifications or documents from the Company, the Issuer and the Trustee, among other parties, and the delivery of certain legal opinions.

Under the Credit Agreement, the Company will agree to pay its pro rata share of all amounts that are drawn under the Letter of Credit, together with interest, if any, on such amounts at the rate or rates specified in such Credit Agreement to the Letter of Credit Bank.

#### **Fees and Expenses**

Under the Credit Agreement, the Company will agree to pay certain fees to the Letter of Credit Bank for the issuance of the Letter of Credit, and to pay all reasonable charges and expenses of the Letter of Credit Bank incurred relative to the issuance, transfer, drawing upon or other actions with respect to the Letter of Credit or under the Credit Agreement.

#### **Redemption of Bonds**

The Company will agree in the Credit Agreement to cause Bonds to be redeemed annually at the time and in the amounts set forth in the Credit Agreement. See "REDEMPTION OF BONDS BEFORE MATURITY" herein.

#### **Certain Covenants of the Company**

The Credit Agreement requires the Company to comply with various financial and other covenants. No assurance can be given as to the ability of the Company to comply with such covenants. Failure to so comply could, at the option of the Letter of Credit Bank, result in acceleration of the maturity of the Bonds. The principal amount of Bonds subject to such an acceleration shall be equal to the correlative principal amount of the Loans then in default.

#### **Events of Default and Remedies**

The Credit Agreement specifies numerous Events of Default, including:

(a) Failure by the Company to timely pay amounts payable to the Letter of Credit Bank thereunder;

(b) Failure of the Company to comply with other covenants or conditions of such Credit Agreement or other Front Letter of Credit Document (as defined in the Credit Agreement), which failure is not cured within 30 days after notice thereof from the Letter of Credit Bank to the Company;

(c) Failure of any representation or warranty made by the Company under the Credit Agreement to be true in any material respect;

(d) Any default resulting in an acceleration of the Bonds which is not cured within any applicable cure period;

(e) The occurrence of certain acts of insolvency or bankruptcy, certain judgments, or the occurrence of a default under any of certain other agreements relating to the issuance of the Bonds which is not cured within any applicable cure period;

(f) Any person other than the Letter of Credit Bank obtains any rights to receive, or to receive payments on account of, or otherwise to exercise control over, all or any part of the collateral as set forth in the Credit Agreement, except as expressly permitted in the Credit Agreement;

(g) The institution of an insolvency proceeding by or against the Company which has not been dismissed within 30 days;

(h) The occurrence of a default under any other loan, extension of credit, agreement, guaranty, security agreement or obligation in favor of the Letter of Credit Bank, and such default is not cured in the applicable period;

(i) The Company or any of its property shall become subject to a judgment in excess of the dollar amount specified in the Credit Agreement which the Company fails to pay within 30 days of the granting of such judgment (subject to certain rights to appeal);

(j) Certain defaults under any construction contract which are not cured.

The Company's obligations under the Credit Agreement will be secured by the corresponding Bank Security Documents. See "INTRODUCTORY STATEMENT." The Bank Security Documents will be for the sole benefit and security of the Letter of Credit Bank and will not be for the benefit or security of the Trustee or the Holders.

### **Amendment**

The Credit Agreement may be amended by the Company and the Letter of Credit Bank without the consent of the Holders or the Trustee.

## **SUMMARY OF CERTAIN PROVISIONS OF THE LEASE AGREEMENT**

### **[TO BE REVIEWED BY COMPANY COUNSEL]**

The following summarizes certain provisions of the Lease Agreement between the Issuer and the Company. Reference is hereby made to the Lease Agreement for the detailed provisions thereof.

## **Issuance of the Bonds and Use of Bond Proceeds**

Under the Lease Agreement, the Issuer agrees to issue the Bonds and to make the proceeds thereof available to the Company to assist the Company in financing of the Project or to reimburse the Company for expenditures in connection with the planning, construction and acquisition of the Project. Such proceeds (exclusive of accrued interest) will be deposited in the Construction Fund and used together with other available funds to pay costs of issuance of the Bonds and Cost of the Project. (See "THE COMPANY, THE PROJECT AND USE OF BOND PROCEEDS" herein.)

## **Payments by the Company**

The Company agrees to make payments of Base Rent and Additional Rent (collectively, the "Payments") corresponding as to the times and in the amounts necessary to pay the principal of, premium (if any) and interest on the Bonds when due and purchase price payments of Bonds tendered for purchase in accordance with the Indenture. Notwithstanding anything to the contrary in the Lease Agreement, the Indenture or any other agreement, the Company's obligation to make such Payments will be absolute and unconditional.

## **Prepayment under the Lease Agreement**

*Optional Prepayment.* The Company is given options in the Lease Agreement to prepay the amounts payable thereunder. Such prepayment options correspond to the optional redemption provisions applicable to the Bonds (see "REDEMPTION OF BONDS BEFORE MATURITY - Certain Redemption Dates and Prices - *Optional Redemption*" herein).

*Extraordinary Optional Prepayment.* The Company is given options in the Lease Agreement to prepay the amounts payable thereunder upon the happening of certain events. Such extraordinary prepayment options correspond to the extraordinary optional redemption provisions applicable to the Bonds (see "REDEMPTION OF BONDS BEFORE MATURITY – Certain Redemption Dates and Prices - *Extraordinary Optional Redemption*" herein).

*Mandatory Prepayment.* The Company is obligated under the Lease Agreement to prepay the amounts payable thereunder in full or in part upon the occurrence of certain conditions. Such prepayment obligations correspond to the mandatory redemption provisions applicable to the Bonds in such cases (see "REDEMPTION OF BONDS BEFORE MATURITY – Certain Redemption Dates and Prices - *Mandatory Redemption Upon Proceeds Remaining in Construction Fund*" and "*– Mandatory Redemption Upon Enforceability of Lease Agreement*" herein).

## **Option to Purchase Project**

The Lease Agreement grants to the Company the option to purchase the entire Project prior to the full payment of the Bonds.

To exercise its option, the Company must give written notice to the Issuer, the Credit Provider and to the Trustee, if any of the Bonds remain unpaid at the time the Company desires to exercise the option and provision for the payment thereof has not been made in accordance with the provisions of the Indenture. The Notice shall also specify the date of closing the purchase, which date shall be not less than forty-five (45) nor more than ninety (90) days from the date such notice is mailed, and in case of a redemption of the Bonds in

accordance with the provisions of the Indenture shall make arrangements satisfactory to the Trustee for the giving of the required notice of redemption. The purchase price payable by the Company in the event of its exercise of the option shall be the sum of the following:

(1) an amount of money to be paid into the Bond Fund which, when added to the amount then on deposit in the Bond Fund for payment of the Bonds, will be sufficient to pay, redeem or pay at maturity all of the then outstanding Bonds on the next date on which such Bonds may be redeemed or paid at maturity, including without limitation, principal, premium, if any, all accrued interest to said date and redemption expenses, plus

(2) an amount of money equal to the Trustee's fees and expenses under the Indenture, and the expenses of the Issuer accrued and to accrue until such final payment and redemption of the Bonds, plus

(3) the sum of \$2,000.

In the event of the exercise of the option granted in the Lease Agreement, any Net Proceeds of insurance or condemnation not transferred to the Bond Fund for the redemption or payment of the Bonds shall be paid to the Company and the Lease Agreement shall be terminated. Notwithstanding anything to the contrary, the source of prepayment of the Bonds must be a draw on the Letter of Credit or Available Moneys from other sources.

### **Option to Purchase Improvements**

In addition to the option to purchase the Project specified above, the Company pursuant to the Lease Agreement is granted the option to purchase only the Improvements, such that the title to the Land shall be retained by the Issuer. The exercise of such option to purchase the Improvements shall be on the same terms and conditions as set forth in "Option to Purchase Project" above, except as follows:

(1) the consideration due shall be \$1,000;

(2) the Lease Agreement shall terminate with respect to the Improvements, but the Lease Agreement shall continue as a ground lease between the Company and Issuer, as modified pursuant to Section 8.3 hereof.

### **Option to Purchase Land**

The Lease Agreement grants to the Company the option to purchase any portion of the Land (on which no structure or buildings financed from the proceeds of the Bonds is located) at any time and from time to time at fair market value as determined by the Issuer and the Company. The Issuer and the Company shall consider any diminution of value of the non-transferred portion of the Project before deciding as between them whether such a transfer will be permitted.

To exercise the option to purchase the Land, the Company will notify the Issuer and pay the sum of \$1,000.00 to the Issuer. The Company's exercise of the option to purchase of any portion of the Land will not affect its obligation to pay Base Rent or Additional Rent under the Lease Agreement, nor will it reduce the amount of Base Rent or Additional Rent payable thereunder. The Issuer will secure from the Trustee a release from the Indenture of such portion of the Land with respect to which the Company shall have exercised the option to purchase.

## **Events of Default**

The Lease Agreement provides that each of the following shall be an "Event of Default":

- (a) The Company shall fail to pay when due any Payment;
- (b) Failure by the Company to cause the Credit Facility to be in effect at all times.
- (c) The Company shall fail to observe and perform or cause to be observed and performed any agreement, term, covenant or condition contained in the Lease Agreement, and the continuation of such failure for a period of thirty (30) days after written notice thereof shall have been given to the Company by the Issuer or the Trustee, or for such longer period as the Issuer and the Trustee may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it can be conformed but not within the applicable period, that failure shall not constitute an Event of Default so long as the Company institutes curative action within such 30 day period and diligently pursues that action to completion;
- (d) The dissolution or liquidation of the Company or the Guarantor or the filing by the Company or the Guarantor of a voluntary petition in bankruptcy, or failure by the Company or the Guarantor, as the case may be, promptly to cause to be lifted any execution, garnishment or attachment of such consequence as will impair such entity's ability to carry on its obligations under the Lease Agreement, or the commission by the Company or the Guarantor of any act of bankruptcy, or adjudication of the Company or the Guarantor as a bankrupt, or if a petition or answer proposing the adjudication of the Company as a bankrupt or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within ninety days after the filing thereof, or if the Company or the Guarantor shall admit in writing its inability to pay its debts generally as they become due, or a receiver, trustee or liquidator of the Company or the Guarantor shall be appointed in any proceeding brought against the Company or the Guarantor and shall not be discharged within ninety days after such appointment or if the Company or the Guarantor shall consent to or acquiesce in such appointment, or assignment by the Company or the Guarantor for the benefit of their creditors, or the entry by the Company or the Guarantor into an agreement of composition with its creditors, or a bankruptcy, insolvency or similar proceeding shall be otherwise initiated by or against the Company or the Guarantor under any applicable bankruptcy, reorganization or analogous law as now or hereafter in effect and if initiated against the Company or the Guarantor shall remain undismitted (subject to no further appeal) for a period of ninety days; provided, the term "dissolution or liquidation of the Company or the Guarantor," as used in this subsection, shall not be construed to include the cessation of the existence of the Company or the Guarantor resulting either from a merger or consolidation of the Company or the Guarantor into or with another entity or a dissolution or liquidation of the Company or the Guarantor following a transfer of all or substantially all of its assets as an entirety or under the conditions permitting such actions contained in the Lease Agreement; or
- (e) There shall occur an "Event of Default" as defined in the Indenture.

## **Remedies**

Whenever any Event of Default shall have happened and is subsisting, the Company shall notify the Trustee in writing as soon as possible of such Event of Default upon the Company's becoming aware thereof and the Trustee may take any one or more of the following remedial steps, subject to the Indenture:

(a) If the unpaid principal amount of the Bonds has become or has been declared to be due and payable under the Indenture, draw under the Letter of Credit an amount equal to the amount then due and owing on the Bonds; provided, however, that an Event of Default shall be and shall be deemed waived and rescinded without further action on the part of the Trustee or the Issuer upon any rescission by the Trustee of the corresponding declaration of acceleration of the Bonds under the Indenture; and

(b) The Issuer, with the prior written consent of the Credit Provider and the Trustee, which shall be reasonably, promptly granted, may re-enter and take possession of the Project without terminating the Lease Agreement, and lease the Project for the account of the Company, holding the Company liable for the difference between the rentals and other amounts payable by such lessee in such leasing and the rents and other amounts payable by the Company thereunder.

(c) The Issuer, with the prior written consent of the Credit Provider and the Trustee, which shall be reasonably, promptly granted, may terminate the Lease Agreement, exclude the Company from possession of the Project and use its best efforts to lease the Project to another party.

(d) Whatever action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due or to enforce performance and observance of any obligation, agreement or covenant of the Company under the Lease Agreement.

The Trustee may not exercise any remedy described in (b) or (c) above without the Credit Provider's prior written consent, so long as no wrongful dishonor of the Credit Facility has occurred and is continuing as provided in the Indenture.

### **Amendments, Changes and Modifications to the Lease Agreement or the Letter of Credit**

*Amendments, Etc., to Lease Agreement.* The Issuer and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of the Lease Agreement (including an assignment thereof) as may be allowed or required (i) by the provisions of the Lease Agreement or the Indenture; (ii) for the purpose of curing any ambiguity or formal defect or omission or in connection with any other change therein, provided, that no such action is to the prejudice of the Registered Owners (in making such determination, the Trustee may rely on the opinion of such counsel as it may select); (iii) to secure or maintain ratings on the Bonds from Moody's and/or S&P; (iv) to describe more fully or to amplify or correct the description of any property financed under the Lease Agreement; or (v) to make any other change which in the sole determination of the Trustee does not materially adversely affect the Registered Owners (in making such determination, the Trustee may rely on the opinion of such counsel as it may select); provided, that with respect to any such amendment the Company provides the Trustee with an opinion of Bond Counsel to the effect that any such amendment is permitted by applicable law.

Except for the amendments, changes or modifications as provided in the foregoing paragraph, the Issuer and the Trustee shall not consent to any other amendment, change or modification of the Lease Agreement without the giving of notice and the written approval or consent of the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding; provided, however, that the consent of the owners of 100% in aggregate principal amount of the Bonds then Outstanding shall be required for (a) a change in the requirement that the Company provide for a Credit Facility to be in effect at all times or a change in the required provisions of the Credit Facility; (b) either an extension of time for the payment of rents or purchase price of Bonds subject to optional or mandatory tender under the Indenture; or (c) a

reduction in the aggregate principal amount of the Bonds the owners of which are required to consent to such amendment, change or modification of the Lease Agreement.

Any amendment, change or modification of the Lease Agreement shall not become effective unless and until the Credit Provider shall have consented in writing to the execution and delivery of such amendment, change or modification. In this regard, the Issuer shall cause the Trustee to give notice of the proposed execution of any such amendment, change or modification, together with a copy of the proposed execution of any such amendment, change or modification, by overnight delivery service (with the signature of the receiving party required) or by registered or certified mail, return receipt requested, to the Credit Provider at least fifteen (15) days prior to the proposed date of execution and delivery of any such amendment, change or modification.

Amendments, etc. to Credit Facility. The Credit Facility may not be amended without the prior written consent of the Trustee. The Trustee shall notify the owners of a proposed amendment of any Credit Facility and may consent thereto with the consent of the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding which would be affected by the action proposed to be taken; provided, that the Trustee shall not, without the unanimous consent of the owners of the Bonds then outstanding consent to any amendment which would (1) decrease the amount payable under the Credit Facility, (2) extend the time for payments under the Credit Facility or (3) reduce the term of the Credit Facility.

Notice to Remarketing Agent. The Trustee shall give written notice to the Remarketing Agent of any amendment or supplement to the Lease Agreement or the Credit Facility, together with a copy of such amendment or supplement, provided that the Trustee shall not be responsible for or incur any additional liability for failing to give such notice.

### **Execution of Consents by Trustee**

In executing any consent permitted in accordance with the Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Counsel stating that the execution of such consent is authorized or permitted by the Indenture and that all conditions precedent have been complied with. The Trustee may, but shall not be obligated to, consent to any amendment, change or modification of the Lease Agreement or the Credit Facility which affects the Trustee's own rights, duties or immunities under the Indenture, the Lease Agreement, the Credit Facility or otherwise.

## **SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

### **[TO BE REVIEWED BY BOND COUNSEL]**

The following, in addition to the information provided under "THE BONDS" and "REDEMPTION OF BONDS BEFORE MATURITY," summarizes certain provisions of the Indenture between the Issuer and the Trustee. Reference is made to the Indenture for the detailed provisions thereof.

### **Assignment and Security**

In the Indenture, the Issuer will assign to the Trustee its right, title and interest in and to the Lease Agreement (excluding the rights of the Issuer with respect to certain fees, expenses, reimbursement and



indemnity provisions), in the Revenues, and in all moneys and securities held from time to time by the Trustee under the Indenture.

### **Application of Construction Fund**

All moneys received from the sale of the Bonds (exclusive of accrued interest) will be deposited in the Construction Fund created by the Indenture and disbursed from the Construction Fund, in accordance with the provisions of the Lease Agreement, to pay costs of issuance of the Bonds and Cost of the Project or to reimburse the Company for the payment of such costs.

### **Revenues and Bond Fund**

Any amounts (i) which remain in the Construction Fund after completion of the Project or payment of the Bonds; and (ii) which are to be applied to the payment of principal of premium (if any) and interest on the Bonds ("Bond Service Charges"), including all Revenues and all moneys received upon drawings for such purpose made under the Letter of Credit, will be deposited in the Bond Fund created by the Indenture and maintained with the Trustee. Moneys in the Bond Fund are to be used for the payment of Bond Service Charges on the Bonds, which shall be derived from the following sources in the order of priority indicated.

- (i) Available Moneys held by the Trustee, such moneys to be applied only to the payment or the redemption of Bonds;
- (ii) all moneys realized by the Trustee under the Credit Facility for Bond Service Charges provided that in no event shall such moneys be used to pay for Company Bonds or Pledged Bonds; and
- (iii) all other amounts received by the Trustee under and pursuant to the Lease Agreement or from any other source when required or accompanied by directions from the Company that such amounts are to be paid into the Bond Fund, and amounts derived from the investment of such amounts.

### **Bond Purchase Fund**

The Indenture creates the Bond Purchase Fund, to be held by the Trustee and administered in accordance with the terms of the Indenture for the deposit of amounts derived from the remarketing of Bonds, from the payment of the purchase price of Bonds by the Bank under the Letter of Credit or from the payment of the Purchase Price of the Bonds under the Lease Agreement. While the Bonds are outstanding, moneys in the Bond Purchase Fund will be used solely for the payment of the purchase price of Bonds upon their optional or mandatory tender for purchase.

Except as provided in the Indenture, moneys in the Bond Purchase Fund shall be used solely for the payment of the purchase price of Bonds tendered or deemed to be tendered for purchase on any purchase date pursuant to the Indenture.

On each purchase date, the Trustee shall pay the purchase price of Bonds tendered for purchase from moneys on deposit in the Bond Purchase Fund from funds derived from the following sources in the order of priority indicated:

- (i) Available Moneys held by the Trustee pursuant to the Indenture, such moneys to be applied only to the purchase of Bonds which are deemed to be paid in accordance with the Indenture;

- (ii) Proceeds of the remarketing of such Bonds pursuant to the Indenture;
- (iii) Moneys realized under the Credit Facility to pay the purchase price of Bonds tendered or deemed to be tendered for purchase (other than Company Bonds or Pledged Bonds);
- (iv) Moneys furnished to the Trustee by the Company pursuant to the Lease Agreement; and
- (v) All other moneys deposited in the Bond Purchase Fund in accordance with the Indenture.

Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (i) above shall be canceled by the Trustee in accordance with the Indenture. Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (ii) above shall be delivered to the purchasers thereof as provided in the Indenture. Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iii) above shall, if an agreement with a Securities Depository as described in the Indenture is not then in effect, be registered in the name of the Company (or as otherwise provided in the Pledge Agreement), shall be referred to as Pledged Bonds, shall be held by the Trustee in trust for the account of the Credit Provider, shall be pledged to the Credit Provider pursuant to the Pledge Agreement securing the Company's obligations thereunder and shall not be transferred or exchanged by the Trustee until the Trustee has received evidence that the Credit Facility has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally realized under such Credit Facility to pay the portion of the purchase price equal to the accrued interest, if any, on such Bonds upon a subsequent remarketing of such Pledged Bonds by the Remarketing Agent pursuant to the Indenture. Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iv) or (v) above shall, at the direction of the Company if an agreement with a Securities Depository as described in the Indenture is not then in effect, be registered in the name of the Company or be canceled.

If an agreement with a Securities Depository as described in the Indenture is then in effect, the Trustee shall instruct the Securities Depository to record in the books of the Securities Depository for the account of the Trustee any Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iii) above, and such Bonds shall be referred to as Pledged Bonds, shall be deemed to be held by the Trustee in trust for account of the Credit Provider and to the fullest extent permitted by law shall be subject to a security interest in favor of the Credit Provider as security for the Company's obligations under the Pledge Agreement, which security interest shall be released only after the Credit Facility has been reinstated in the amount of the aggregate principal amount of such Bonds and the amount originally realized under such Credit Facility to pay the portion of the purchase price equal to the accrued interest, if any, on the Bonds upon a subsequent remarketing of such Pledged Bonds by the Remarketing Agent pursuant to the Indenture. If an agreement with a Securities Depository as described in the Indenture is then in effect, the Trustee shall, with respect to any Bonds (or portions thereof in Authorized Denominations) purchased with moneys described in clause (iv) or (v) above which the Company does not instruct the Trustee to cancel, instruct the Securities Depository to record such Bonds in the books of the Securities Depository for the account of the Trustee, and such Bonds shall be Company Bonds.

### **Deposits under Guaranty Agreement**

Reference is hereby made to the Guaranty Agreement, wherein it is provided that the Guarantor guarantees the prompt and full payment of the principal of, premium, if any, and interest on, the Bonds. Pursuant to the Guaranty Agreement, the Trustee and the Issuer acknowledge that any amounts paid under the Guaranty Agreement shall be paid directly to the Trustee and deposited in the Bond Fund. All amounts

received under the Guaranty Agreement shall be applied solely to the payment of the principal of, premium, if any, and interest on the Bonds or returned to the Guarantor.

### **Subsequent Bonds**

On each Subsequent Closing Date described in the Indenture, the Issuer will execute and deliver the applicable Subsequent Bonds to the Trustee and the Trustee will, upon receipt of the purchase price, authenticate the applicable Subsequent Bonds and deliver them to DTC. The proceeds of the sale of the applicable Subsequent Bonds will be delivered to the Trustee on the applicable Subsequent Closing Date, whereupon the Trustee will deliver, on the applicable Subsequent Closing Date such proceeds in immediately available funds to the Trustee. The proceeds will be deposited and used as provided in the Indenture.

### **Investment of Funds**

Moneys held in the above described Funds (other than moneys in the Bond Purchase Fund, which shall not be invested, and moneys in the Bond Fund for redemption of Bonds or moneys in the Bond Fund from drawings under the Letter of Credit which shall be invested only in overnight obligations) are to be invested by the Trustee at the written direction of the Company in Governmental Obligations or obligations rated at least Investment Grade by each Rating Agency then maintaining a rating on the Bonds. The Trustee is permitted to make any and all such investments through its own investment department. Any such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund (and the related account of such fund) for which they were made. The interest accruing thereon and any profit realized from such investments shall be credited to such fund (and the related account of such fund), and any net loss resulting from such investments shall be charged to such fund (and the related account of such fund).

The Trustee shall, at the written direction of the Company, sell and reduce to cash a sufficient amount of such investments of the Construction Fund whenever the cash balance in the Construction Fund is insufficient to pay a requisition when presented or of the Bond Fund whenever the cash balance in the Bond Fund is insufficient to pay the Bond Service Charges when due, provided, that the Trustee shall, at the direction of the Company, first sell and reduce to cash those investments of the Bond Fund which mature earliest. The Trustee will bear no responsibility for losses incurred from such investments. The Trustee shall not be responsible for any depreciation of the value of any investment made pursuant to the Indenture or for losses incurred in the redemption, sale or other disposal of any investments made in accordance with the Indenture.

### **Events of Default and Remedies**

The Indenture provides that each of the following shall be an "Event of Default":

- (a) Failure to pay when due any interest on any Bond.
- (b) Failure to pay when due principal of or premium, if any, on any Bond whether at the stated maturity or redemption thereof.
- (c) Failure to pay amounts due to the owner of any Bonds tendered or deemed tendered to the Trustee at the option of such owner pursuant to the Indenture or any Mandatory Purchase Date. (See "REDEMPTION OF BONDS BEFORE MATURITY").

(d) Failure by the Issuer to observe or perform any other material covenant, agreement or obligation on its part contained in the Indenture or the Bonds, which failure shall have continued for a period of ninety (90) days after written notice, by registered or certified mail, to the Issuer, the Bank, the Remarketing Agent and the Company specifying the failure and requiring it be remedied, which notice shall be given by the Trustee in its discretion or by the Bank or to the Issuer, the Company, the Trustee, the Bank and the Remarketing Agent by the owners of not less than a majority of the aggregate principal amount of Bonds then outstanding.

(e) The occurrence and continuation of an Event of Default under the Lease Agreement.

(f) The failure of the Guarantor to observe any covenant, condition or agreement set forth in the Guaranty Agreement.

(g) Receipt by the Trustee of a written notice from the Bank which states that (i) the Company has failed to reimburse the Bank for the amount of payment drawn under the Letter of Credit for a Scheduled Payment of interest on the Bonds and, accordingly, the amount available to be drawn under the Letter of Credit has not been reinstated; or (ii) an Event of Default under the Credit Agreement has occurred and is continuing and directing the Trustee to accelerate the Bonds (see "SUMMARY OF CERTAIN PROVISIONS OF THE CREDIT AGREEMENT – Events of Default and Remedies").

Upon the occurrence of an event of default under Item (f) above or upon the written request of the owners of not less than a majority in aggregate principal amount of Bonds then outstanding, the Trustee shall, and upon the occurrence of any other Event of Default the Trustee may, by notice in writing delivered to the Issuer and the Company, declare the principal of all Bonds then Outstanding and the interest accrued thereon to the date of payment thereof immediately due and payable, and such principal, interest, and any premium the Issuer shall have become obligated to pay prior to such date, if any, shall thereupon become and be immediately due and payable; provided, however, that no acceleration shall be declared without the written consent or direction of the Credit Provider, so long as the Credit Provider is not in default in payments under the Letter of Credit. Upon any such acceleration the Trustee shall immediately declare an amount equal to all amounts then due and payable on the Bonds to be immediately due and payable under the Lease Agreement, and, the Trustee shall, as soon as possible, take such action under the Credit Facility to the fullest extent permitted by the terms thereof so that moneys are received by the Trustee under the Credit Facility within three (3) Business Days of such event of default to pay the principal of, and accrued interest on, the Bonds. As soon as practicable upon any such acceleration, the Trustee shall give written notice thereof (unless previously given) to the Issuer, the Company, the Credit Provider and the Remarketing Agent; provided, that failure to give such notice pursuant to this sentence shall not affect the validity or effectiveness of any such acceleration.

In addition, upon the happening and continuance of an Event of Default, the Trustee may pursue any available remedy to remedy any Event of Default or to enforce the observance and performance of any other covenant, agreement or obligation of the Indenture, the Lease Agreement or any other instrument providing security for the Bonds.

The Trustee will also be empowered to enforce each and every right granted to it under the Lease Agreement as assigned to it.

#### **Right of Bank and Owners to Direct Proceedings**

The Bank and the owners of at least a majority in aggregate principal amount of Bonds then outstanding will have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture, provided, that such direction shall not be otherwise than in accordance with the provisions of law and the Indenture and that the Trustee shall be indemnified to its satisfaction; provided, however, that so long as no wrongful dishonor under the Letter of Credit has occurred and is continuing, the Bank shall have the exclusive right to give such directions to the Trustee.

### **Waivers of Events of Default**

Pursuant to the Indenture, the Trustee may at its discretion waive any event of default thereunder and its consequences, other than an event of default which may occur by the failure of the Guarantor to observe any covenant, condition or agreement as set forth in the Guaranty Agreement, and may rescind any declaration of acceleration of principal, and shall do so upon the written request of the owners of (1) not less than a majority in aggregate principal amount of all the Bonds then Outstanding in respect of which default in the payment of principal or interest, or both, exists, or in respect of which a default in the payment of the purchase price exists, or (2) not less than a majority in aggregate principal amount of all Bonds then Outstanding in the case of any other default; provided, however, that there shall not be waived (a) any default in the payment of the principal or premium, if any, on any Outstanding Bonds at the date of maturity specified therein or redemption prior to maturity, or (b) any default in the payment when due of the interest on any such Bonds, or (c) any default in the payment when due of the purchase price of any such Bonds tendered or deemed to be tendered for purchase under the Indenture unless prior to such waiver or rescission, all arrears of principal or interest, or both, or all arrears of payments of such purchase price, as the case may be, and all expenses of the Trustee, in connection with such default shall have been paid or provided for; provided, that if the Trustee shall have realized moneys under the Credit Facility then in effect in connection with any such event of default to be so waived, no such waiver shall be effective until the Trustee has received evidence that such Credit Facility shall have been reinstated to an amount equal to the Outstanding principal amount of the Bonds plus the Credit Facility Interest Amount; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee and the Registered Owners shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

### **Application of Moneys**

All moneys or other property (other than moneys realized under a Credit Facility) received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment to the Trustee as provided therein, be deposited in the Bond Fund; all moneys realized under a Credit Facility to pay principal of and interest on (and premium if provided for thereunder on) the Bonds shall be deposited in the Bond Fund-Credit Facility Account, a separate and segregated account in the Bond Fund; and all moneys in the Bond Fund (other than moneys held for the payment of a particular Bond) during the continuation of an event of default under the Indenture shall be derived in the order of priority set forth in the Indenture and applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

**FIRST** - To the payment to the persons entitled thereto of all interest then due on the Bonds (other than Company Bonds, and other than Pledged Bonds to the extent of moneys then on deposit in the Bond Fund-Credit Facility Account), and, if the amount available shall not be sufficient to pay said amount in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or privilege;

**SECOND** - To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture, and other than Company Bonds, and other than Pledged Bonds to the extent of moneys then on deposit in the Bond Fund-Credit Facility Account), and, if the amount available shall not be sufficient to pay in full such unpaid principal and premium, then to the payment ratably to the persons entitled thereto without any discrimination or privilege;

**THIRD** - To the payment of all obligations of the Company whether or not then due and owing to the Credit Provider under the Credit Agreement and to the payment of Pledged Bonds to the extent not already paid; and

**FOURTH** - To the payment of the principal of, premium, if any, and interest on Company Bonds in the same manner as above provided.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

**FIRST** - To the payment of the principal and interest then due and unpaid upon the Bonds (other than Company Bonds, and other than Pledged Bonds to the extent of moneys then on deposit in the Bond Fund-Credit Facility Account), without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond (other than Company Bonds), ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege;

**SECOND** - To the payment of all obligations whether or not then due and payable to the Credit Provider under the Credit Agreement and to the payment of Pledged Bonds to the extent not already paid; and

**THIRD** - To the payment of principal of and interest on Company Bonds in the same manner.

(c) If the principal of all of the Bonds shall have been declared due and payable, and if such declarations shall thereafter have been rescinded and annulled under the provisions of the Indenture then, subject to the provisions thereof in the event that the principal of all of the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions thereof.

Subject to the provisions of the Indenture, whenever moneys are to be applied pursuant to the provisions of the Indenture, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood

of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be within three (3) Business Days of such event of default) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue; provided, that in the event of the acceleration of the Bonds and the Trustee's taking of action under the Credit Facility then in effect to realize moneys thereunder to pay the principal of and accrued interest on the Bonds, pursuant to the Indenture, the Trustee shall fix the date upon which such application is to be made, which date shall be the date of receipt of such moneys under such Credit Facility. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

### **Rights and Remedies of Owners**

No owner of any Bond will have any right to institute any suit, action or proceeding for the enforcement of the Indenture or the Lease Agreement or for the execution of any trust under the Indenture or any remedy under the Indenture or the Lease Agreement, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified or of which it is deemed to have notice, and (ii) the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the powers provided in the Indenture or to institute such action, suit or proceeding and have offered to the Trustee indemnity as provided for in the Indenture, and (iii) the Trustee thereafter has failed or refused to exercise its powers under the Indenture or to institute such action, suit or proceeding in its own name for sixty (60) days after such written request.

### **Supplemental Indentures**

The Issuer and the Trustee, with the consent of the Company and the Bank, may enter into supplemental indentures, without the consent of or notice to any of the owners, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission in the Indenture or to make any other change, provided that no such action is to the prejudice of the Registered Owners; (b) to grant or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders or the Trustee; (c) at the request of the Company, to permit fully registered Bonds to be exchanged for coupon Bonds (which may be registrable as to principal only) upon receipt by the Issuer, the Company and the Trustee of an opinion of Bond Counsel to the effect that the exchange of fully registered Bonds for Bonds in coupon form is permitted by applicable law; (d) to provide for an uncertificated system of registration for the Bonds upon receipt by the Issuer, the Company and the Trustee of an opinion of Bond Counsel to the effect that the provision for such system of registration for the Bonds is permitted by applicable law; (e) to secure or maintain ratings on the Bonds from Moody's and/or S&P, which changes will not restrict, limit or reduce the obligation of the Company to pay amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds or otherwise materially adversely affect the Registered Owners under the Indenture; (f) to make any other change which in the sole determination of the Trustee does not materially adversely affect the Registered Owners; in making such determination the Trustee may rely on the opinion of such counsel as it may select, but only if there shall be supplied to the Company, the Issuer, the Trustee and the Remarketing Agent an opinion of Bond Counsel stating that the proposed modification or amendment is permitted by applicable law; (g) to provide additional security to the Trustee for the benefit of the Registered Owners upon receipt by the Issuer, the Company and the Trustee of an opinion of Bond Counsel to the effect that the provision of such additional security is permitted by applicable law and to conform to or permit compliance with the terms and provisions

of such additional security, including the sources, priorities and retention of funds as contemplated by the Indenture; or (h) to facilitate the provision of the Credit Facility.

Exclusive of supplemental indentures for the purposes above summarized, the consent of the Company, the Bank and the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding will be required to approve any indenture supplementing the Indenture provided that the consent of 100% in aggregate principal amount of the Bonds then outstanding will be required for: (i) an extension of the maturity (or mandatory redemption date) of the principal of, premium, if any, or the interest on, any Bond issued under the Indenture, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or a change in the Daily Interest Rate, Weekly Interest Rate, Monthly Interest Rate, Flexible Interest Rate or Term Rate borne by any Bond, except when converted as provided in the Indenture, or a change in the method of calculating the Daily Interest Rate, Weekly Interest Rate, Monthly Interest Rate, Flexible Interest Rate or Term Rate, or (c) a change of any date upon which any Bond may be purchased at the option of any owner or on any Mandatory Purchase Date, or (d) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds the owners of which are required to consent to such supplemental indenture or to an amendment to the Lease Agreement requiring consent of the owners, or (f) the creation of any lien ranking prior to or on a parity with the lien of the Indenture on the Trust Estate or any part thereof, except as expressly permitted under the Indenture, or (g) the deprivation of the owner of any Bond then Outstanding of the lien created on the Trust Estate by the Indenture.

### **Discharge of Lien**

The lien of the Indenture will be discharged if the Issuer shall pay or cause to be paid and discharged all the Outstanding Bonds or there shall otherwise be paid to the owners of the Outstanding Bonds all Bond Service Charges due or to become due thereon, and provisions shall also be made for paying all other amounts payable under the Indenture, the Lease Agreement and the Credit Agreement.

Any Bond shall be deemed to be paid and discharged for all purposes of the Indenture when payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided in the Indenture), either (i) shall have been made or caused to be made with Available Moneys in accordance with the terms thereof, or (ii) in the case of a Bond which bears interest at a Flexible Interest Rate or a Term Rate, shall have been provided by irrevocably depositing with the Trustee, in trust for the benefit of and subject to a security interest in favor of the owner of such Bond, and irrevocably setting aside exclusively for such payment on such due date (which due date shall be in the case of a Bond bearing interest at a Flexible Interest Rate no later than the Interest Payment Date for the then current Flexible Segment for such Bond and in the case of a Bond bearing interest at a Term Rate no later than the last Interest Payment Date for the then current Term Rate Period), (1) Available Moneys sufficient to make such payment, or (2) Governmental Obligations acquired with Available Moneys maturing as to principal and interest in such amounts and on such dates as will (together with any moneys held under clause (1)), in the written opinion of a firm of certified public accounts delivered to the Trustee, provide sufficient Available Moneys without reinvestment to make such payment, and if all necessary and proper fees, compensation and expenses of the Trustee pertaining to the Bonds with respect to which such deposit is made and all other liabilities of the Company under the Lease Agreement and to the Credit Provider under the Credit Agreement shall have been paid or the payment thereof provided for to the satisfaction of the Trustee and the Credit Provider.



Notwithstanding the foregoing, in the case of Bonds which are to be redeemed prior to the Maturity Date, no deposit under clause (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until proper notice of redemption of such Bonds shall have been previously given as set forth above under "REDEMPTION OF BONDS BEFORE MATURITY - Notice of Redemption", or until the Company, on behalf of the Issuer, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the redemption date when the principal (and premium, if any) of each such Bond is to be paid (which may be any redemption date permitted by the Indenture); and

(b) to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to the Maturity Date.

In the case of Bonds which are not to be redeemed within the next succeeding sixty (60) days, the Trustee shall mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the owners of such Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the redemption or maturity date upon which moneys are to be available for the payment of the redemption price on or principal of said Bonds.

### **The Trustee**

The Trustee is Hancock Bank of Louisiana, a state banking corporation, whose corporate trust department is located in Baton Rouge, Louisiana.

The Trustee will undertake to perform such duties as are specifically set forth in the Indenture. At the time of an Event of Default and during the continuation thereof, the Trustee shall exercise such of the rights and powers vested in it by the Indenture, and shall use the same degree of care and skill in its exercise, as a prudent man would exercise under the circumstances.

The Indenture will provide that the Trustee shall be entitled to act upon opinions of counsel as specified in the Indenture and shall not be responsible for any loss or damage resulting from reliance thereon in good faith. In addition, the Indenture will provide that the Trustee shall be entitled to rely on certain other instruments and it shall not be liable for any action reasonably taken or omitted to be taken by it in good faith and reasonably believed by it to be within the discretion or power conferred upon it in the Indenture.

### **Limited Liability of Officers, Etc.**

Pursuant to the Indenture, no recourse shall be had for the payment of the principal of, premium, if any, and interest on the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future official or employee of the Issuer, or any successor thereof, as such, either directly or indirectly or through the Issuer or any successor, under any rule or law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such official or employee as such is expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

## **TAX MATTERS**

**[TO BE REVIEWED BY BOND COUNSEL]**

**General**

The following constitutes a discussion of certain of the federal and State of Louisiana income tax consequences of the purchase, ownership, and disposition of the Bonds. This summary is presented for information purposes only and is intended to be a discussion primarily of the federal and State of Louisiana income tax consequences to individual owners who are citizens or residents of the United States. It is not practicable to comment on all aspects of the federal, state and local tax laws which may affect an individual owner's purchase of the Bonds. Therefore, state (other than the State of Louisiana), local, and foreign tax consequences are not discussed, nor are the tax consequences to owners other than individuals. Such tax consequences will vary with each purchaser, depending upon its individual situation. The following summary should not be considered as legal or tax advice to prospective purchasers of the Bonds.

**Federal Taxes**

The interest on the Bonds is included in gross income of the United States resident owners thereof for federal income tax purposes and therefore is not exempt from federal income taxation.

**Louisiana State Taxes**

The opinion of Bond Counsel will state that under the Act, the Bonds and the income therefrom are exempt from all taxation in the State of Louisiana.

**Other Tax Consequences to Investors**

There may be other federal, state, local or foreign tax considerations applicable to the circumstances of a particular investor. Prospective investors are urged to consult their own tax advisors before determining whether to purchase Bonds. Purchasers of Bonds who are nonresident alien individuals, corporations, or other non-United States persons should consult their own tax advisors with respect to the possible applicability of United States withholding and other taxes on income realized in respect to the Bonds.

**APPROVAL OF LEGAL PROCEEDINGS**

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving opinion of Foley & Judell, L.L.P., New Orleans, Louisiana, as Bond Counsel. A signed copy of Bond Counsel's opinion, dated and premised on facts existing and law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. In rendering its approving legal opinion, Bond Counsel will rely upon certifications and representations of facts to be contained in the transcript of proceedings which Bond Counsel will not have independently verified.

Certain legal matters will be passed upon for the Underwriter by its counsel, McGlinchey Stafford, PLLC, New Orleans, Louisiana. Certain legal matters will be passed upon for the Company by its counsel, Locke Liddell & Sapp LLP, New Orleans, Louisiana. Certain legal matters will be passed upon for the Bank by its counsel, Long Law Firm, L.L.P., Baton Rouge, Louisiana.

**RATING**

Moody's Investors Service has a rating of " \_\_\_\_\_ " to the Bonds, based upon the issuance of the Letter of Credit simultaneously with the issuance of the Bonds. Any definitive explanation of the significance of such rating may be obtained only from such rating agency. There is no assurance that such rating will remain in effect for any given period of time or that it may not be lowered or withdrawn entirely if, in the judgment of the rating agency, circumstances should warrant such action. Any such downward revision or withdrawal of any rating assigned to the Bonds could have an adverse effect on their market price.

The rating of the Bonds by such rating agency reflects only the views of such agency at the time such rating is given and the Issuer and the Underwriter make no representation as to the appropriateness of such rating.

## **UNDERWRITING**

Morgan Keegan & Company, Inc. (the "Underwriter") has agreed, subject to certain conditions, to purchase the Bonds from the Issuer at a price equal to \_\_\_\_\_% of the aggregate principal amount of the Bonds representing an underwriter's discount of \$\_\_\_\_\_. The Underwriter has agreed to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing Bonds into investment accounts) and to others at prices lower than the public offering price set forth on the cover page of this Official Statement. After the Bonds are released for sale to the public, the public offering price and other selling terms may from time to time be varied by the Underwriter. The Company has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities.

## **CONTINUING DISCLOSURE**

At the time of issuance of the Bonds, the issue is exempt pursuant to Section (d)(1)(iii) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240 Section 15c2-12) (the "Rule") from the requirements of the Rule. [The Company has covenanted in the Lease Agreement that it will provide to the Issuer such information as may be necessary to enable the Issuer to comply with the Rule, if it becomes applicable in the future.]

## **LITIGATION**

### **The Issuer**

There is not now pending or, to the knowledge of the Issuer, threatened, any litigation restraining or enjoining the issuance, sale or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds are to be issued. There is no litigation pending or, to the Issuer's knowledge, threatened which in any manner questions the right of the Issuer to enter into the Lease Agreement with the Company or to secure the Bonds in the manner provided in the Indenture.

### **The Company**

There is not now pending or, to the knowledge of the Company, threatened, any litigation or any proceeding before any governmental agency against or affecting the Company which questions the right of the Company to acquire the Project or to engage in the transactions contemplated in connection with the issuance of the Bonds in accordance with the Indenture and the Lease Agreement.

No litigation, proceedings or investigations are pending or, to the knowledge of the Company, threatened against the Company except: (a) litigation being defended by insurance companies on behalf of the Company in which recoveries, if any, should be within the Company's applicable insurance policy limits and (b) litigation, proceedings and investigations which, in the opinion of the Company and its various attorneys, are either unlikely to be adversely determined or will not materially adversely affect the Project, or the operations or financial condition of the Company.

### **CONCLUDING STATEMENT**

The foregoing references to, and summaries or descriptions of, provisions of the Bonds, the Letter of Credit, the Credit Agreement, the Lease Agreement, the Guaranty Agreement, the Indenture and all references to other documents or materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. Copies of the Letter of Credit, the Credit Agreement, the Lease Agreement and the Indenture may be obtained from the Underwriter or the Trustee as set forth herein under "INTRODUCTORY STATEMENT."

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer, the Company or the Bank and purchasers or owners of any of the Bonds.

[Signatures Appear on Next Page]

The distribution of this Official Statement has been authorized by the Issuer.

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

By: \_\_\_\_\_  
Peter Link, President

Approved:

**RANDA PROPERTIES LLC**

By: \_\_\_\_\_

## APPENDIX A

### CERTAIN DEFINITIONS

"Act" means Sections 551.1 to 551.3, inclusive, and 551.5 of Title 39, Part XII of Chapter 4 of Subtitle II of Title 39, Sections 991 through 1001, inclusive, of Title 39 and/or Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended and all future acts supplemental thereto or amendatory thereof.

"Act of Bankruptcy" means the commencement of a voluntary or involuntary case in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against the Company or the Issuer under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereinafter in effect.

"Additional Rent" means the amounts set forth in the Lease Agreement.

"Affiliate" means any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company; and "control" means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"Alternate Letter of Credit" means a direct pay letter of credit of a domestic bank or of a United States branch or agency of a foreign bank (other than the Letter of Credit) whose unsecured short term and senior long-term debt obligations are rated at least equal to the ratings assigned to the provider of the Credit Facility it replaces which at all times provides security for payment of the principal of and interest on the Bonds when due (referred to in this definition as "credit support") and, while the Bonds are subject to optional redemption or purchase on any Mandatory Purchase Date, for the payment of the purchase price of the Bonds (including any premium which may become due) delivered or deemed delivered for purchase in accordance with the Indenture (referred to in this definition as "liquidity support"); provided that an Alternate Letter of Credit may be issued to provide only credit support or only liquidity support so long as a separate Alternate Letter of Credit provides at all times while such Alternate Letter of Credit is in effect complementary credit support or liquidity support, as the case may be, so that at all times the Bonds shall be entitled to credit support and at all times while the Bonds are subject to optional redemption or purchase on any Mandatory Purchase Date the Bonds shall be entitled to liquidity support.

"Authorized Denomination" means (a) \$100,000 or any integral multiple thereof when the Bonds bear interest at a Daily, Weekly or Monthly Interest Rate, (b) \$100,000 or any integral multiple of \$1,000 in excess of \$100,000 when the Bonds bear interest at Flexible Interest Rates, and (c) \$5,000 or any integral multiple thereof when the Bonds bear interest at a Term Rate.

"Available Moneys" means (i) Bond proceeds deposited with the Trustee contemporaneously with the issuance and sale of the Bonds and which were continuously thereafter held subject to the lien of the Indenture in a separate and segregated fund, account or subaccount established thereunder (other than the Construction Fund or the Bond Purchase Fund) in which no moneys which were not Available Moneys were at any time held, together with investment earnings on such Bond proceeds, (ii) moneys which have been paid to the Trustee by the Company and have been continuously on deposit with the Trustee and subject to the lien of the Indenture in a separate and segregated account or accounts or sub-account or sub-accounts in which no other moneys are held for at least one year during and prior to which no Act of Bankruptcy shall have occurred (unless the petition giving rise to such Act of Bankruptcy shall have been dismissed and such dismissal shall be final and not subject to appeal), and the proceeds from the investment thereof, (iii) moneys

on deposit with the Trustee representing proceeds from the remarketing by the Remarketing Agent of Bonds purchased as a result of any option redemption or on any Mandatory Purchase Date as provided in the Indenture to any person other than the Company, the Issuer or any Insider of the Company or the Issuer, which in each case were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts in which no moneys which were not Available Moneys were at any time held, (iv) moneys realized under the Credit Facility which were at all times since their receipt by the Trustee held in a separate and segregated account or accounts or sub-account or sub-accounts in which no moneys other than those realized under the Credit Facility were at any time held, and (v) proceeds from the issuance and sale of other indebtedness or any other moneys or securities if there is delivered to the Trustee and each Rating Agency then rating the Bonds at the time of issuance and sale of such indebtedness or the delivery of such moneys or securities an opinion of Counsel nationally recognized in bankruptcy matters (which may assume that no Bondholder is an Insider) to the effect that the use of such proceeds or moneys to pay the principal of, premium, if any, purchase price or interest on the Bonds would not be avoidable as preferential payments under Section 547 of the Bankruptcy Code recoverable under Section 550 of the Bankruptcy Code should the Company, the Issuer or any Insider of the Company, the Issuer becomes a debtor in a proceeding commenced thereunder.

"Bank" means Hibernia National Bank, in its capacity as the issuer of the initial Letter of Credit pursuant to the Lease Agreement, its successors and assigns in such capacity and their assigns, and the issuer or provider of any Alternate Letter of Credit pursuant to the Lease Agreement and the Indenture, its successors in such capacity and their assigns.

"Bankruptcy Code" means the United States Bankruptcy Reform Act of 1978, as amended from time to time, or any substitute or replacement legislation.

"Base Rent" means the amounts set forth in the Lease Agreement.

"Beneficial Owner" means the owner of a Bond or portion thereof for federal income tax purposes.

"Bond" or "Bonds" means the Taxable Revenue Bonds (Randa Properties LLC Project) Series 2002 of the Issuer, in the aggregate principal amount of \$7,500,000, issued pursuant to the Indenture. The Bonds include any Subsequent Bonds

"Bond Counsel" means Foley & Judell, L.L.P. or such other nationally recognized municipal bond counsel of recognized expertise with respect to such matters as may be mutually satisfactory to the Issuer, the Company (so long as no event of default is then existing under the Lease Agreement) and the Trustee.

"Bond Fund" means the fund created and established by the Indenture.

"Bond Purchase Fund" means the fund created and established by the Indenture.

"Bondholder," "bondholder," "holder" and "owner" mean the Registered Owner of any Bond.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in the city in which the Principal Office of the Company or the Principal Office of the Trustee or the Principal Office of the Remarketing Agent is located or the office of the Credit Provider at which action is to be taken to realize moneys under the Credit Facility then in effect is located are required or authorized by law or executive order to be closed, or other than a day on which the New York Stock Exchange is closed.

"Cap Rate" means the rate of twelve percent (12%) per annum.

"Closing Date" means \_\_\_\_\_, being the date of issuance and original delivery of the Bonds.

"Company" means Randa Properties LLC, a Delaware limited liability company, and its successors and assigns, and any surviving, resulting or transferee entity as permitted by the Lease Agreement. "Principal Office" of the Company means \_\_\_\_\_, Attention: \_\_\_\_\_, unless another office is designated as such in writing to the Trustee, the Issuer, the Remarketing Agent and the Credit Provider.

"Company Bonds" means Bonds, other than Pledged Bonds, owned by the Company (or any Insider or Affiliate of the Company designated in writing to the Trustee as such) and registered in the name of the Company (or such Insider or Affiliate of the Company), or in the name of a nominee designated in writing to the Trustee by the Company (or such Insider or Affiliate of the Company).

"Construction Fund" means the fund created and established by the Indenture.

"Cost of the Project" means the sum of the items authorized to be paid from the Construction Fund pursuant to the provisions of the Lease Agreement.

"Counsel" means an attorney at law or a firm of attorneys (who may be an employee of or counsel to the Issuer or the Company or the Trustee) duly admitted to the practice of law before the highest court of any state of the United States of America or of the District of Columbia.

"Credit Agreement" means the Letter of Credit Reimbursement Agreement, dated September \_\_, 2002, between the Company and the Bank, as from time to time supplemented and amended, under the terms of which the Bank has agreed to issue and deliver the initial Letter of Credit to the Trustee; and, unless the context or use indicates another or different meaning or intent, any letter of credit, reimbursement or other agreement between the Company and the issuer of any Alternate Letter of Credit delivered to the Trustee pursuant to the Lease Agreement and the Indenture, as from time to time supplemented and amended, which provides that it is a Credit Agreement for purposes of the Lease Agreement and the Indenture.

"Credit Facility" means any Letter of Credit or Alternate Letter of Credit then in effect.

"Credit Facility Interest Amount" means the amount of the interest portion of the Credit Facility, which, (i) during a Daily Interest Rate Period, Weekly Interest Rate Period or Monthly Interest Rate Period, shall be not less than an amount equal to 45 days' interest on the Outstanding Bonds calculated at the Cap Rate on the basis of a year of 365 days, (ii) during a Flexible Interest Rate Period or a Term Rate Period and provided such Letter of Credit allows the Trustee to make monthly draws thereunder for the payment of interest accrued but not yet due on the Bonds, shall be not less than an amount equal to 45 days' interest on the Outstanding Bonds calculated at the Cap Rate on the basis of a year of 365 days, (iii) during a Flexible Interest Rate Period with a Letter of Credit that does not allow the Trustee to make monthly draws thereunder for the payment of interest accrued but not yet due on the Bonds, shall be not less than an amount equal to 295 days' interest on the Outstanding Bonds calculated at the Cap Rate on the basis of a year of 365 days, and (iv) during a Term Rate Period with a Letter of Credit that does not allow the Trustee to make monthly draws thereunder for the payment of interest accrued but not yet due on the Bonds, shall be not less than an amount equal to 210 days' interest on the Outstanding Bonds calculated at the Cap Rate on the basis of a year of 360 days consisting of twelve (12) 30-day months.



"Credit Provider" means, initially, the Bank and, thereafter, the provider of any Alternate Letter of Credit then in effect.

"Daily Interest Rates" means the interest rates on the Bonds from time to time in effect during a Daily Interest Rate Period, as established in accordance with the Indenture.

"Daily Interest Rate Period" means each period during which the Bonds bear interest at Daily Interest Rates.

"Dated Date" means the date each of the Bonds and any Subsequent Bonds are delivered to and paid for by the Underwriter.

"Direct Participant" means securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations which participate in the Securities Depository with respect to the Bonds.

"Event of Default" or "event of default" means any occurrence or event specified as such and defined in the Indenture.

"Expiration Date" means the Stated Expiration Date of any then current Letter of Credit or Alternate Letter of Credit, or any earlier date on which any then current Letter of Credit or Alternate Letter of Credit shall terminate, expire or be canceled in accordance with its terms.

"Flexible Interest Rate" means, with respect to any Bond, the interest rate associated with such Bond established in accordance with the Indenture.

"Flexible Interest Rate Period" means each period, comprised of Flexible Segments, during which the Bonds bear interest at Flexible Interest Rates.

"Flexible Segment" means, with respect to each Bond bearing interest at a Flexible Interest Rate, the period established in accordance with the Indenture.

"Front Letter of Credit" means the Letter of Credit issued by Hibernia National Bank to the Trustee contemporaneously with the execution and delivery of the Indenture, including any extensions, amendments or replacements (to evidence transfer to a new Trustee) thereof pursuant to its terms, provided that upon the issuance and delivery of an Alternate Letter of Credit in accordance with the Indenture and the Lease Agreement in replacement therefor that constitutes a Front Letter of Credit in combination with a Supporting Letter of Credit, "Front Letter of Credit" shall mean such Alternate Letter of Credit instead of the Front Letter of Credit for which such Alternate Letter of Credit has been substituted.

"Governmental Obligations" means noncallable, direct general obligations of, or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by, the United States of America.

"Guaranty Agreement" means the Guaranty Agreement, dated as of September 1, 2002, by and between the Company and the Trustee.

"Indenture" means the Trust Indenture dated as of September 1, 2002, between the Issuer and the Trustee, as supplemented and amended.

"Insider" means an "insider" as defined in the Bankruptcy Code.

"Interest Payment Date" means (i) with respect to any Daily Interest Rate Period or Monthly Interest Rate Period, the first Business Day of each calendar month, (ii) with respect to any Weekly Interest Rate Period, the first Business Day of each calendar month, (iii) with respect to any Term Rate Period, \_\_\_\_\_ and \_\_\_\_\_ of each year commencing on \_\_\_\_\_ or \_\_\_\_\_ next succeeding the effective date of such Term Rate Period, (iv) with respect to any Flexible Segment, the day next succeeding the last day thereof, (v) with respect to each Interest Rate Period, in addition to the other dates described above, the day next succeeding the last day of each Interest Rate Period and (vi) the Maturity Date.

"Interest Rate Period" means any Daily Interest Rate Period, Weekly Interest Rate Period, Monthly Interest Rate Period, Flexible Interest Rate Period or Term Rate Period.

"Investment Grade" means, during a Term Rate Period, Baa or BBB or better by Moody's or S&P (or an equivalent), or during a Daily Interest Rate Period, a Weekly Interest Rate Period, a Monthly Interest Rate Period or a Flexible Interest Rate Period, VMIG-2 or A2 or better by Moody's or S&P (or an equivalent).

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

"Land" means that certain real property located in St. Charles Parish, Louisiana, as more fully described the Lease Agreement.

"Letter of Credit" means the initial irrevocable, transferable direct pay Letter of Credit delivered to the Trustee as provided in the Lease Agreement, and unless the context or use indicates another or different meaning or intent, any Alternate Letter of Credit delivered to the Trustee pursuant to the Lease Agreement and the Indenture, and any amended or reissued Letter of Credit necessary to cover the outstanding principal of all Bonds, plus 45 days of interest based on a 365 day year as such Letter of Credit may be extended, amended or reissued to satisfy the requirements in connection with the issuance of any Subsequent Bonds. So long as the Supporting Letter of Credit or the Front Letter of Credit remain in effect, Letter of Credit shall mean either the Front Letter of Credit or the Supporting Letter of Credit or both of them, as the circumstances or context dictates or as specifically set forth in the Indenture.

"Mandatory Purchase Date" means any date on which the Bonds are required to be purchased in accordance with the Indenture.

"Maturity Date" means \_\_\_\_\_, \_\_\_\_\_.

"Monthly Interest Rate" means the interest rate on the Bonds from time to time in effect during a Monthly Interest Rate Period, as established in accordance with the Indenture.

"Monthly Interest Rate Period" means each period during which the Bonds bear interest at a Monthly Interest Rate.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successor and its assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other Rating Agency.

"Outstanding" or "Bonds outstanding" means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except:

- (a) Bonds canceled after purchase or because of payment at redemption or at maturity;
- (b) Bonds or portions thereof deemed to be paid, as provided in the defeasance provisions of the Indenture;
- (c) Bonds in lieu of which other Bonds have been authenticated under the Indenture; and
- (d) Unsurrendered Bonds.

If the Indenture shall have been discharged pursuant to the defeasance provisions thereof, no Bonds shall be deemed to be Outstanding within the meaning of this provision.

"Pledge Agreement" means that certain Pledge and Security Agreement, dated \_\_\_\_\_, among the Company, the Trustee and the Bank, as amended or supplemented from time to time, or any other such agreement entered into by the Company in connection with the issuance of any Alternate Letter of Credit, as from time to time supplemented and amended, which provides that it is a Pledge Agreement for purposes of the Indenture and the Lease Agreement.

"Pledged Bonds" means any and all Bonds which are, at the time of determination thereof, pledged to the (a) Bank pursuant to the initial Pledge Agreement or under any other Pledge Agreement which so provides or (b) Credit Provider pursuant to any Pledge Agreement, in each case as a result of such Bonds having been purchased with moneys realized under a Credit Facility then in effect as described in the Indenture.

"Project" means the financing of the acquisition, construction and equipping of a corporate headquarters and distribution facility to be located in the James Business Park in St. Rose, Parish of St. Charles, Louisiana.

"Rate Adjustment Date" means (a) when used with respect to a Daily Interest Rate Period, the date on which the Bonds are converted to bear interest at a Weekly Interest Rate, a Monthly Interest Rate, Flexible Interest Rates or a Term Rate pursuant to the Indenture; (b) when used with respect to a Weekly Interest Rate Period, the date on which the Bonds are converted to bear interest at a Daily Interest Rate, a Monthly Interest Rate, Flexible Interest Rates or a Term Rate pursuant to the Indenture; (c) when used with respect to a Monthly Interest Rate Period, the date on which the Bonds are converted to bear interest at a Daily Interest Rate, a Weekly Interest Rate, Flexible Interest Rates or a Term Rate pursuant to the Indenture; (d) when used with respect to a Flexible Interest Rate Period, the date on which the Bonds are converted to bear interest at a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate or a Term Rate pursuant to the Indenture; and (e) when used with respect to a Term Rate Period, the date on which the Bonds are converted to bear interest at a Daily Interest Rate, a Weekly Interest Rate, a Monthly Interest Rate, Flexible Interest Rates or a Term Rate for the succeeding Term Rate Period pursuant to the Indenture.

"Rating Agency" means any nationally recognized securities rating agency selected by the Company, with notice to the Trustee, and approved in writing by the Remarketing Agent and the Credit Provider.

"Rating Confirmation Notice" means written evidence from Moody's, if the Bonds are then rated by Moody's at the request of the Company, and S&P, if the Bonds are then rated by S&P at the request of the Company, and from every other Rating Agency then rating the Bonds at the request of the Company, to the effect that the rating(s) on the Bonds after the delivery of an Alternate Letter of Credit to the Trustee and the concurrent release of the Letter of Credit then being replaced will not be withdrawn or will not be withdrawn or will not be lower than the rating(s) on the Bonds immediately prior to such events.

"Record Date" means, with respect to any Interest Payment Date in respect of a Daily Interest Rate Period, a Weekly Interest Rate Period, a Monthly Interest Rate Period or a Flexible Segment, the Business Day immediately preceding such Interest Payment Date, and, with respect to any Interest Payment Date in respect of a Term Rate Period, the fifteenth day of the calendar month immediately preceding such Interest Payment Date.

"Registered Owner" means the person or persons in whose name or names a Bond shall be registered on the registration books of the Issuer maintained by the Trustee for that purpose in accordance with the terms of the Indenture.

"Remarketing Agent" means, initially, Morgan Keegan & Company, Inc., and, thereafter, any successor Remarketing Agent appointed in accordance with the Indenture. "Principal Office" of the Remarketing Agent means, initially, 909 Poydras Street, Suite 1300, New Orleans, LA 70112, unless another office is designated as such in writing to the Trustee, the Issuer, the Company and the Credit Provider.

"Remarketing Agreement" means the Remarketing Agreement, dated September 1, 2002, between the Company and the Remarketing Agent, as from time to time supplemented and amended, relating to the Bonds and, unless the context or use indicates another or different meaning or intent, any remarketing agreement between the Company and the Remarketing Agent, as from time to time supplemented and amended, which provides that it is a Remarketing Agreement for purposes of the Indenture and the Lease Agreement.

"Revenues" means the amounts pledged to the payment of the principal of, premium, if any, and interest on the Bonds, consisting of the following: (i) all amounts payable pursuant to the Lease Agreement and all receipts of the Trustee credited under the provisions of the Indenture, including all moneys realized by the Trustee under a Credit Facility to pay the principal of, premium, if any, and interest on the Bonds, (ii) any portion of the net proceeds of the Bonds deposited with the Trustee under the Indenture, amounts required to be paid by the Issuer pursuant to the Lease Agreement, and (iii) any amounts paid into the Bond Fund from the Construction Fund, including income on investments.

"S&P" means Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other Rating Agency.

"Securities Depository" has the meaning set forth in the Indenture.

"State" means the State of Louisiana.

"Stated Expiration Date" means the stated expiration date of any then current Letter of Credit or Alternate Letter of Credit, or such stated expiration date as it may be extended from time to time.

"Subsequent Bonds" means Bonds which are authorized and issued under the Indenture on Subsequent Closing Dates which, together with the Bonds, may aggregate in the principal amount of up to \$7,500,000.

"Subsequent Closing Date" means the date of issuance and original delivery of any Subsequent Bonds, which date shall be an Interest Payment Date.

"Supporting Letter of Credit" means Supporting Letter of Credit issued by the Federal Home Loan Bank to the Trustee contemporaneously with the execution and delivery of the Indenture, including any extensions, amendments or replacements (to evidence transfer to a new Trustee) thereof pursuant to its terms, provided that upon the issuance and delivery of an Alternate Letter of Credit in accordance with the Indenture and the Lease Agreement in replacement therefor that constitutes a Supporting Letter of Credit, "Supporting Letter of Credit" shall mean such Alternate Letter of Credit instead of the Supporting Letter of Credit for which such Alternate Letter of Credit has been substituted.

"Term Rate" means the interest rate on the Bonds in effect during a Term Rate Period, as established in accordance with the Indenture.

"Term Rate Period" means each period during which the Bonds bear interest at a Term Rate.

"Trust Estate" means the property conveyed to the Trustee for the benefit of the owners from time to time of the Bonds and, on a subordinate basis to the extent provided in the Granting Clauses of the Indenture, for the benefit of the Credit Provider pursuant to the Granting Clauses of the Indenture.

"Trustee" means Hancock Bank of Louisiana, and any successor trustee at the time serving as successor trustee under the Indenture. "Principal Office" of the Trustee means, initially, 2600 Citiplace Drive, Suite 200, Baton Rouge, Louisiana 70808 and, thereafter, the office designated as such in writing to the Bondholders, the Issuer, the Company, the Remarketing Agent and the Credit Provider.

"Underwriter" means Morgan Keegan & Company, Inc.

"Unsurrendered Bonds" means Bonds (or portions thereof in Authorized Denominations) which are not tendered as required under the provisions of the Indenture, but for which there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price thereof and of all other Bonds (if any) tendered or deemed to be tendered for purchase on the date specified in the Indenture or on a Mandatory Purchase Date.

"Weekly Interest Rate" means the interest rate on the Bonds from time to time in effect during a Weekly Interest Rate Period, as established in accordance with the Indenture.

"Weekly Interest Rate Period" means each period during which the Bonds bear interest at a Weekly Interest Rate.

## **APPENDIX B**

### **INFORMATION REGARDING THE FRONT LETTER OF CREDIT BANK AND THE SUPPORTING LETTER OF CREDIT BANK**

The following information has been obtained from the Bank and is not to be construed as a representation by the Issuer or the Company.

#### **[BANKS TO SUPPLY INFORMATION]**

POS (St. Charles - Randa Properties) 2002 (8-1).wpd