

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO: 4960

ORDINANCE COUNCIL SERIES NO: _____

COUNCIL SPONSOR: BELLISARIO

PROVIDED BY: BOND COUNSEL

INTRODUCED BY: _____

SECONDED BY: _____

ON THE 7 DAY OF FEBRUARY , 2013

SEE ATTACHED FOR COMPLETE DOCUMENT

ORDINANCE AUTHORIZING THE SALE OF NOT EXCEEDING FORTY-FOUR MILLION THREE HUNDRED FIFTY THOUSAND DOLLARS (\$ 44,350,000) OF SALES TAX REFUNDING BONDS, SERIES 2013 OF SALES TAX DISTRICT NO. THREE OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA; PRESCRIBING THE FORM, TERMS AND CONDITIONS OF SUCH BONDS AND PROVIDING FOR THE PAYMENT THEREOF; AUTHORIZING AN AGREEMENT WITH THE PAYING AGENT; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS,

THE PARISH OF ST. TAMMANY HEREBY ORDAINS:

REPEAL: All ordinances or parts of Ordinances in conflict herewith are hereby repealed.

SEVERABILITY: If any provision of this Ordinance shall be held to be invalid, such invalidity shall not affect other provisions herein which can be given effect without the invalid provision and to this end the provisions of this Ordinance are hereby declared to be severable.

EFFECTIVE DATE: This Ordinance shall become effective fifteen (15) days after adoption.

MOVED FOR ADOPTION BY: _____SECONDED BY: _____

WHEREUPON THIS ORDINANCE WAS SUBMITTED TO A VOTE AND RESULTED IN THE FOLLOWING:

YEAS: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

THIS ORDINANCE WAS DECLARED DULY ADOPTED AT A REGULAR MEETING OF THE PARISH COUNCIL ON THE 7 DAY OF MARCH , 2013 ; AND BECOMES ORDINANCE COUNCIL SERIES NO _____.

JERRY BINDER, COUNCIL CHAIRMAN

ATTEST:

THERESA L. FORD, COUNCIL CLERK

PATRICIA P. BRISTER, PARISH PRESIDENT

Published Introduction: JANUARY 30 , 2013

Published Adoption: _____ , 2013

Delivered to Parish President: _____ , 2013 at _____

Returned to Council Clerk: _____ , 2013 at _____

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO. 4960 ORDINANCE COUNCIL SERIES NO. _____

COUNCIL SPONSOR: Binder/Brister PROVIDED BY: Bond Counsel/ Financial Advisor

INTRODUCED BY: _____ SECONDED BY: _____

ON THE 7TH DAY OF FEBRUARY, 2013

Ordinance authorizing the sale of not exceeding Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000) of Sales Tax Refunding Bonds, Series 2013 of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana; prescribing the form, terms and conditions of such bonds and providing for the payment thereof; authorizing an agreement with the paying agent; and providing for other matters in connection therewith.

WHEREAS, Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana (the "Issuer"), is now levying and collecting a special two percent (2%) sales and use tax (the "Tax") pursuant to elections held on November 4, 1986 and July 16, 2005, at which elections the following propositions were approved by a majority of the qualified electors voting at such elections, viz:

**PROPOSITION
(November 4, 1986)**

Shall Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana, comprising all of St. Tammany Parish less and except those portions within the present corporate boundaries of any incorporated municipality (the "District"), under the provisions of Article VI, Section 29 of the Constitution of the State of Louisiana of 1974, and other constitutional and statutory authority, be authorized to levy and collect a tax of two percent (2%) (the "Tax"), upon the sale at retail, the use, the lease or rental, the consumption and the storage for use or consumption, of tangible personal property and on sales of services in the District, all as presently defined in La. R.S. 47:301 through La. R.S. 47:317, for a period of twenty (20) years from the date of the first levy of the Tax, with the net proceeds of the Tax (after paying the reasonable and necessary expenses of collecting and administering the Tax), to be dedicated and used for the following purposes:

1. Constructing, overlaying and improving Priority I and Priority II roads, streets and bridges in the District (as designated by Ordinance Police Jury Series No. 86-693 adopted by the St. Tammany Police Jury on September 4, 1986); and
2. Repairing and maintaining roads, streets and bridges in the District (including the acquisition of all equipment and materials and payment of all salaries directly in connection therewith);

and, further, shall the District be authorized to fund the proceeds of the Tax into bonds to be issued in series from time to time for the purpose of constructing, overlaying and improving Priority I and Priority II roads, streets and bridges in the District, to the extent and in the manner permitted by the laws of Louisiana, including particularly Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended?

**PROPOSITION
(July 16, 2005)**

**SALES TAX DISTRICT NO. THREE PROPOSITION
(SALES TAX CONTINUATION & REDEDICATION)**

SUMMARY: 2% SALES TAX CONTINUATION FOR 25 YEARS FOR THE PURPOSE OF CONSTRUCTING, ACQUIRING, EXTENDING, IMPROVING, MAINTAINING AND/OR OPERATING (i) ROADS, STREETS AND BRIDGES AND (ii) DRAINS AND DRAINAGE FACILITIES, INCLUDING ACQUIRING ALL NECESSARY LAND, EQUIPMENT AND FURNISHINGS FOR ANY OF SAID PUBLIC WORKS, IMPROVEMENTS AND FACILITIES, AND FURTHER INCLUDING ALLOCATIONS TO MUNICIPALITIES UNDER INTERGOVERNMENTAL AGREEMENTS RELATING TO ANNEXATIONS, REVENUE SHARING AREAS AND GROWTH MANAGEMENT AREAS.

Shall Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana (the "District"), under the provisions of Article VI, Section 29 of the Louisiana Constitution of 1974, and other constitutional and statutory authority, be authorized to continue to levy and collect the tax of two per cent (2%) (the "Tax"), previously authorized at an election held on November 4, 1986, for an additional period of 25 years commencing December 1, 2006, upon the sale at retail, the use, the lease or rental, the consumption and the storage for use or consumption, of tangible personal property and on sales of services in the District, with the net proceeds of the Tax heretofore or hereafter collected (after paying the reasonable and necessary costs and expenses of collecting and administering the Tax), to be rededicated and used for the purposes of constructing, acquiring, extending, improving, maintaining and/or operating (i) roads, streets and bridges and (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities, and further including allocation of funds under intergovernmental agreements with municipalities relating to annexations, revenue sharing areas and growth management areas, to be used by said municipalities for any one or more of the aforesaid purposes that have a benefit to residents of the District, and shall the District be further authorized to fund the proceeds of the Tax into bonds from time to time for any of said capital improvements, to the extent and in the manner permitted by the laws of Louisiana, including Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950?

WHEREAS, pursuant to the authority of the aforesaid elections, the Issuer adopted ordinances on November 20, 1986 and September 1, 2005 (collectively, the "Tax Ordinance"), providing for the levy and collection of the aforesaid Tax (the "Tax"); and

WHEREAS, in accordance with the provisions of the Tax Ordinance, the net avails or proceeds of the aforesaid Tax, after the reasonable and necessary costs and expenses of the collection and administration thereof have been paid therefrom (the "Net Revenues of the Tax") shall be available for appropriation and expenditure by the Issuer for the purposes designated in the propositions authorizing the levy of the aforesaid Tax, which includes the payment of bonds authorized to be issued in accordance with Louisiana law; and

WHEREAS, the Issuer has heretofore issued bonds which are currently outstanding and payable from a pledge and dedication of the Net Revenues of the Tax, consisting of \$50,000,000 (original principal amount) of Sales Tax Bonds, Series 2006, maturing serially on June 1 of the years 2013 to 2031, inclusive (the "2006 Bonds"); and

WHEREAS, the Issuer has found and determined that the refunding of certain maturities of the 2006 Bonds (the "Refunded Bonds") would be financially advantageous to the Issuer; and

WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this Parish Council to adopt this ordinance to provide for the issuance of not to exceed Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000) principal amount of its Sales Tax Refunding Bonds, Series 2013 (the "Bonds"), for the purpose of refunding the Refunded Bonds and paying the costs of issuance of the Bonds, to fix the details of the Bonds and to sell the Bonds to the purchaser thereof; and

WHEREAS, after the delivery of the Bonds, the Issuer will have no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the Net Revenues of the Tax herein pledged, EXCEPT the unrefunded 2006 Bonds (the "Outstanding Parity Bonds"); and

WHEREAS, it is the intention of the Issuer that the Bonds authorized herein be secured by, equally with the Outstanding Parity Bonds, and payable from the Net Revenues of the Tax (as defined herein); and

WHEREAS, under the terms and conditions of an ordinance adopted by the Issuer on May 4, 2006, authorizing the issuance of the Outstanding Parity Bonds (the "Outstanding Parity Bond Ordinance"), the Issuer has authority to issue additional bonds under the terms and conditions provided therein; and

WHEREAS, this Parish Council, acting as the governing authority of the Issuer (the "Governing Authority"), now desires to provide for the sale of said bonds provided the sale thereof meets certain requirement herein specified; and

WHEREAS, the issuance of the Bonds is contingent upon the approval of the Louisiana State Bond Commission; and

WHEREAS, the maturities of the hereinafter described Bonds have been arranged so that the total amount of principal and interest falling due in any year on the Bonds will never exceed 75% of the proceeds of the Tax estimated to be received by the Issuer in the year in which the Bonds are to be issued (which is hereby estimated to be at least \$ _____ **[JR TO PROVIDE]**); and

WHEREAS, in connection with the issuance of the Bonds, it is necessary that provision be made for the payment of the principal, interest and redemption premium of the Refunded Bonds described in the Bond Purchase Agreement (as herein defined), and to provide for the call for redemption of the Refunded Bonds, pursuant to a Notice of Defeasance and Call for Redemption; and

WHEREAS, it is necessary that this Governing Authority prescribe the form and content of a Defeasance and Escrow Deposit Agreement, as set forth in Exhibit A hereto, providing for the payment of the principal, premium and interest of the Refunded Bonds and authorize the execution thereof as hereinafter provided; and

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the Bonds, and to provide for the authorization and issuance thereof, as hereinafter provided;

NOW, THEREFORE, THE PARISH OF ST. TAMMANY HEREBY ORDAINS THAT:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

“**2006 Bonds**” has the meaning given in the preamble hereto.

“**Act**” means Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

“**Additional Parity Bonds**” shall mean any additional *pari passu bonds* which may hereafter be issued pursuant to Section 18 hereof on a parity with the Bonds.

“**Agreement**” means the agreement to be entered into between the Issuer and the Paying Agent pursuant to this Bond Ordinance.

“**Bond**” or “**Bonds**” means the Sales Tax Refunding Bonds, Series 2013, of the Issuer issued by this Bond Ordinance in a total aggregate principal amount not to exceed Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000), and further described in the Bond Purchase Agreement and any bond of said issue, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued.

“**Bond Counsel**” means Foley & Judell, L.L.P., or any other attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“**Bond Ordinance**” means this ordinance authorizing the issuance of the Bonds.

“**Bond Register**” means the registration books of the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

“**Bond Year**” means the one year period beginning on June 1 of each year, the principal payment date for the Bonds.

“**Bond Purchase Agreement**” means the Bond Purchase Agreement authorized to be executed pursuant to Section 2, in substantially the form attached hereto as Exhibit B.

“**Business Day**” means a day of the year on which banks located in the cities in which the principal corporate trust offices of the Escrow Agent and the Paying Agent are located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“**Code**” means the Internal Revenue Code of 1986, as amended.

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

“**Escrow Agent**” shall mean _____, in the City of _____, Louisiana, and its successor or successors, and any other person which may at any time be substituted in its place pursuant to the Bond Ordinance.

“**Escrow Agreement**” shall mean the Defeasance and Escrow Deposit Agreement between the Issuer and the Escrow Agent, substantially in the form attached hereto as Exhibit A, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

“Executive Officers” means collectively the Parish President and Chief Financial Officer and the Clerk of Council of the Parish Council of the Parish of St. Tammany, State of Louisiana.

“Financial Advisor” means Government Consultants, Inc., or any other municipal advisor engaged by the Parish Council to provide advice regarding public finance matters.

“Fiscal Year” means the twelve-month accounting period commencing on the first day of January, or any other twelve-month accounting period determined by the Governing Authority as the fiscal year of the Issuer.

“Governing Authority” means the Parish Council of the Parish of St. Tammany, State of Louisiana, acting in its capacity as the governing authority of the District.

“Government Securities” means direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America, which are non-callable prior to their maturity and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

“Insurer” shall have the meaning given such term, if any, in the Bond Purchase Agreement.

“Interest Payment Date” means June 1 and December 1 of each year, commencing on the date set forth in the Bond Purchase Agreement.

“Issuer” or “District” means Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana.

“Net Revenues of the Tax” shall mean the avails or proceeds of the Tax available to the Issuer after provision has been made for the payment therefrom of all reasonable and necessary costs and expenses of collecting and administering the Tax.

“Outstanding” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Bond Ordinance, except:

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

(b) Bonds for whose payment or redemption sufficient funds have been theretofore deposited with the Paying Agent in trust for the Owners of such Bonds as provided in Section 23 provided that, if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Bond Ordinance; and

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

“Outstanding Parity Bonds” means the Issuer's unrefunded 2006 Bonds, as described in the preamble hereto.

“Outstanding Parity Bond Ordinance” means the ordinance adopted by the Issuer on May 4, 2006, authorizing the issuance of the Outstanding Parity Bonds.

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

“Parish” means the Parish of St. Tammany, State of Louisiana.

“Paying Agent” means Regions Bank, in the City of Baton Rouge, Louisiana, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Bond Ordinance, and thereafter Paying Agent shall mean such successor Paying Agent.

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

“Qualified Investments” shall mean any investments which are at the time legal for investment of the Issuer's funds pursuant to the laws of the State, the value of which shall be determined as follows:

- (A) For the purpose of determining the amount in any fund, all Qualified Investments credited to such fund shall be valued at fair market value; and
- (B) As to certificates of deposit and bankers' acceptances: the face amount thereof plus accrued interest thereon.

If the Bonds, the Outstanding Parity Bonds or any Additional Parity Bonds carry a rating assigned by any nationally recognized statistical rating organization, any Qualified Investment must be rated at least as high as such bonds by at least one rating agency

“Record Date” for the interest payable on any Interest Payment Date means the 15th calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day.

“Refunded Bonds” means the 2006 Bonds to be defeased and/or redeemed in advance of maturity by the Bonds, as set forth in the Bond Purchase Agreement.

“Reserve Fund Alternative Investment” means a surety bond or insurance policy issued by an insurance company or an irrevocable letter of credit issued by a bank and shall include the Surety Bond (as defined in the Outstanding Parity Bond Ordinance).

“Reserve Fund Requirement” means, as of any date of calculation, a sum equal to the lesser of (i) 10% of the original proceeds of the Bonds, the Outstanding Parity Bonds and the Additional Parity Bonds, calculated in accordance with applicable Internal Revenue Service regulations, (ii) the maximum principal and interest requirements for any succeeding Bond Year (beginning June 1) on the Bonds, the Outstanding Parity Bonds and the Additional Parity Bonds, or (iii) 125% of the average annual principal and interest requirements on the Bonds, the Outstanding Parity Bonds and the Additional Parity Bonds, subject in each case to the payment of the reasonable costs and expenses of collecting and administering the Tax; provided, however, that the Reserve Fund Requirement may be satisfied by cash or Reserve Fund Alternative Investment, or a combination of the foregoing.

“Reserve Insurer” shall mean any provider of a Reserve Fund Alternative Investment and shall include CIFG Assurance North America, Inc., New York, New York, or any successor thereto, the provider of the Reserve Fund Alternative Investment dated June 20, 2006.

“State” shall mean the State of Louisiana.

“Tax” shall mean the two percent (2%) sales and use tax, which was approved at elections held in the District on November 4, 1986 and July 16, 2005 (the “Tax”), being levied and collected by the Issuer pursuant to said elections and the Tax Ordinance and authorized to be levied through November 30, 2031.

“Tax Ordinance” means collectively the ordinances adopted by the Governing Authority of the Issuer on November 20, 1986 and September 1, 2005, providing for the levy and collection of the Tax.

“**Underwriter**” means Crews & Associates, Inc., of Little Rock, Arkansas, the original purchaser of the Bonds.

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, and other constitutional and statutory authority, and having been authorized at elections held within the corporate boundaries of the District on November 4, 1986 and July 16, 2005, there is hereby authorized the incurring of an indebtedness of not exceeding Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000) for, on behalf of and in the name of the Issuer, for the purpose of refunding the Refunded Bonds and paying the costs of issuance of the Bonds, and the Issuer does hereby authorize the issuance of its Sales Tax Refunding Bonds, Series 2013 in the aggregate principal amount as may be set forth in the Bond Purchase Agreement. The Bonds shall be in fully registered form, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, and shall be numbered consecutively from R-1 upward. The Bonds shall further be dated and shall bear interest and be payable on the Interest Payment Dates as set forth in the Bond Purchase Agreement.

The Bonds issued under this Bond Ordinance shall be issued for the purpose of refunding the Refunded Bonds through the escrow of a portion of the proceeds of the Bonds, together with other available moneys of the Issuer, in Government Securities plus an initial cash deposit, in accordance with the terms of the Escrow Agreement, in order to provide for the payment of the principal of, premium and interest on the Refunded Bonds as they mature or upon earlier redemption as provided in Section 35 hereof.

The Bonds are hereby authorized to be sold to Crews & Associates, Inc., (the “Underwriter”), and the Parish President, Council Chair or Chief Financial Officer are hereby authorized to execute a Bond Purchase Agreement with the Underwriter, in substantially the form as attached hereto as Exhibit B, with certain financial data included therein as may be satisfactory to the Financial Advisor to the Issuer and other provisions included therein as may be satisfactory to Bond Counsel to the Issuer, provided the sale of the Bonds produces minimum net present value savings (after payment of all costs) at least equal to the Louisiana State Bond Commission’s guidelines for minimum savings from refundings. The Bond Purchase Agreement may also contain such provisions related to bond insurance, reserve fund requirements, redemption provisions, offering documents and other matters as deemed appropriate by the officer executing the Bond Purchase Agreement.

Provisions having been made for the orderly payment until maturity or earlier redemption of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Bonds under this Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer incidental to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the Refunded Bonds, except to assure that the Refunded Bonds are paid from the Government Securities and funds so escrowed in accordance with the provisions of the Escrow Agreement.

The Escrow Agreement is hereby approved by the Issuer, and the Executive Officers are hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the Issuer substantially in the form of Exhibit A hereof, with such changes, additions, deletions or completions deemed appropriate by such Executive Officers, and it is expressly provided and covenanted that all of the provisions for the payment of the principal of and premium and interest on the Refunded Bonds from the special trust fund created under the Escrow Agreement shall be strictly observed and followed in all respects.

The principal of the Bonds, upon maturity or redemption, shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds will be payable by check mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the Bond Register. During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal and interest on the Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number

must accompany all payments of principal and interest, whether by check or by wire transfer. Each Bond delivered under this Bond Ordinance upon transfer or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Bond Ordinance, executed by the Paying Agent by manual signature.

SECTION 3. Redemption of Bonds. The Bonds shall be subject to mandatory and optional redemption as set forth in the Bond Purchase Agreement.

SECTION 4. Obligation of the Issuer in Connection with the Issuance of the Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to:

- a) Deposit irrevocably in trust with the Escrow Agent under the terms and conditions of the Escrow Agreement, as hereinafter provided, an amount of the proceeds derived from the issuance and sale of the Bonds (exclusive of accrued interest), together with additional moneys of the Issuer, as will enable the Escrow Agent to purchase Government Obligations described in the Escrow Agreement, which shall mature in principal and interest in such a manner as to provide at least the required cash amount on or before each payment date for the Refunded Bonds (said amounts being necessary on each of the designated dates to pay and retire or redeem the Refunded Bonds, including premiums, if any, payable upon redemption). Prior to or concurrently with the delivery of the Bonds, the Issuer shall obtain an independent mathematical verification that the moneys and obligations required to be irrevocably deposited in trust in the Escrow Fund with the Escrow Agent, together with the earnings to accrue thereon, will always be sufficient for the payment of the principal of, premium and interest on the Refunded Bonds. The moneys so deposited with the Escrow Agent shall constitute a trust fund irrevocably dedicated for the use and benefit of the owners of the Refunded Bonds; and
- b) Deposit in the Expense Fund established with the Escrow Agent such amount of the proceeds of the Bonds as will enable the Escrow Agent to pay the Costs of Issuance and the costs properly attributable to the establishment and administration of the Escrow Fund on behalf of the Issuer.

SECTION 5. Official Statement. The Issuer hereby approves the preparation of a Preliminary Official Statement and Official Statement pertaining to the Bonds, which shall be used by the Underwriter in connection with the sale of the Bonds.

SECTION 6. Registration, Transfer and Exchange of Bonds. The Issuer shall cause the Bond Register to be kept at the principal office of the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of mailing of a notice of redemption of such Bond and ending on the date of such redemption.

Notwithstanding the foregoing, additional provisions regarding the book entry registration of the bonds is included on Exhibit C hereto and incorporated herein.

SECTION 7. Form of Bonds. The Bonds and the endorsements to appear thereon shall be in substantially the following forms, respectively, to-wit:

* * * * *

NO. R-_____ PRINCIPAL AMOUNT \$_____

Unless this Bond is presented by an authorized representative of the Depository Trust Company, a New York corporation (“DTC”), to the Issuer or their agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of CEDE & CO. or in such other name as is requested by an authorized representative of DTC (and any payment is made to CEDE & CO. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, CEDE & CO., has an interest herein.

As provided in the Bond Ordinance referred to herein, until the termination of the system of book-entry-only transfers through DTC and notwithstanding any other provision of the Bond Ordinance to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

**UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF ST. TAMMANY**

**SALES TAX REFUNDING BONDS, SERIES 2013
OF
SALES TAX DISTRICT NO. THREE OF THE
PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
_____, ____	June 1, ____	_____%	_____

Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana (the “Issuer”), promises to pay, but solely from the source and as hereinafter provided, to:

REGISTERED OWNER: CEDE & CO. (Tax Identification #13-2555119)

PRINCIPAL AMOUNT: _____ DOLLARS

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on _____ 1, ____, and semiannually thereafter on June 1 and December 1 of each year (each an “Interest Payment Date”) and calculated on the basis of twelve 30-day months and a 360-day year, at the Interest Rate per annum set forth above until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity, is payable in lawful money of the United States of America at the principal office of Regions Bank, in the City of Baton Rouge, Louisiana, or successor thereto (the “Paying Agent”), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner (determined as of the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal and interest on the Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany

all payments of principal and interest, whether by check or by wire transfer.

This Bond is one of an authorized issue aggregating in principal the sum of [not exceeding Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000)] (the “Bonds”), all of like tenor and effect except as to number, interest rate, denomination and maturity, said Bonds having been issued by the Issuer pursuant to an ordinance adopted on _____, 2013 (the “Bond Ordinance”), for the purposes of refunding a portion of the Issuer’s outstanding Sales Tax Bonds, Series 2006, and paying costs of issuance of the Bonds, under the authority conferred by Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements therein specified.

[REDEMPTION LANGUAGE TO COME]

[In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each bond to be redeemed at his address as shown on the registration books of the Paying Agent.]

The Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on the 15th calendar day of the month next preceding an Interest Payment Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bonds and ending on the date of such redemption.

This Bond and the issue of which it forms a part is payable solely from and secured, equally with the Outstanding Parity Bonds, by an irrevocable pledge and dedication of the net avails or proceeds (the “Net Revenues of the Tax”) of the Issuer’s two percent (2%) sales and use tax approved at elections held on November 4, 1986 and July 16, 2005 (the “Tax”), now being levied and collected by the Issuer, subject only to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the Tax. This Bond does not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory provisions relating to the incurring of indebtedness. The Issuer has covenanted and agreed and does hereby covenant and agree not to discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which this Bond and the issue of which it forms a part have been issued, nor in any way make any change which would diminish the amount of said revenues of the Tax pledged to the payment of the Bonds, until all of the Bonds have been paid in principal and interest. For a complete statement of the revenues from which and conditions under which this Bond is issued, reference is hereby made to the Bond Ordinance.

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

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part necessary to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that said Bonds shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof and shall be incontestable in the hands of bona fide

purchasers or owners for value thereof.

IN WITNESS WHEREOF, the Parish Council of the Parish, acting as the governing authority of the Issuer, has caused this Bond to be executed in its name by the facsimile signatures of its Parish President and its Chief Financial Officer, and Clerk of Council of said governing authority, and a facsimile of its corporate seal to be imprinted hereon.

SALES TAX DISTRICT NO. THREE OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA

(facsimile)
Clerk of Council

(facsimile)
Parish President

(facsimile)
Chief Financial Officer

(SEAL)

* * * * *

PAYING AGENT'S CERTIFICATE OF REGISTRATION

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

REGIONS BANK
Baton Rouge, Louisiana
as Paying Agent

Date of
Registration: _____, 2013

By: _____
Authorized Officer

* * * * *

ASSIGNMENT

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

Please Insert Social Security
or other Identifying Number of
Assignee

[Empty rectangular box for Social Security or other Identifying Number of Assignee]

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

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

Dated: _____

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

* * * * *

SECTION 8. Execution of Bonds. The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of the Issuer and under the corporate seal of the Issuer, and the Legal Opinion Certificate shall be signed by the Clerk of the Council of the Governing Authority, which signatures and seal may be either manual or facsimile.

SECTION 9. Recital of Regularity. This Governing Authority having investigated the regularity of the proceedings had in connection with this issue of Bonds and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State.

SECTION 10. Pledge of Net Revenues of the Tax. The Bonds shall be secured by and payable, equally with the Outstanding Parity Bonds, in principal and interest solely from an irrevocable pledge and dedication of the Net Revenues of the Tax. The Net Revenues of the Tax are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds and the Outstanding Parity Bonds in principal and interest and redemption premium, if any, as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. In compliance with the Tax Ordinance, all of the Net Revenues of the Tax shall continue to be set aside in a separate fund, as provided in the Outstanding Parity Bond Ordinance and as herein provided and shall be and remain pledged for the security and payment of the Bonds and the Outstanding Parity Bonds in principal and interest and for all other payments provided for in this Bond Ordinance until the Bonds and the Outstanding Parity Bonds shall have been fully paid and discharged.

SECTION 11. Outstanding Parity Bonds. The Issuer recognizes the Owners of the Outstanding Parity Bonds have certain contractual rights with respect to the Net Revenues of the Tax by virtue of the provisions of the Outstanding Parity Bond Ordinance, authorizing the issuance of the Outstanding Parity Bonds. Nothing in this Bond Ordinance shall be construed in such a manner as to impair any rights vested in the Owners of the Outstanding Parity Bonds, and if at any time it shall be established that any of the provisions of this Bond Ordinance are in conflict with the provision of the Outstanding Parity Bond Ordinance authorizing the Outstanding Parity Bonds in such manner as to impair any contractual rights vested in the Owners thereof, the provisions of the Outstanding Parity Bond Ordinance shall be controlling as to such conflicts as long as the Outstanding Parity Bonds are outstanding.

SECTION 12. Flow of Funds. In order that the principal of and the interest on the Bonds and the Outstanding Parity Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the Issuer covenants as follows:

All of the avails or proceeds derived from the levy and collection of the Tax shall continue to be deposited daily as the same may be collected in a separate and special bank account maintained with the regularly designated fiscal agent of the Issuer and designated as the "1987 Sales Tax Fund" (the "Sales Tax Fund"). The Sales Tax Fund shall constitute a dedicated fund of the Issuer, from which appropriations and expenditures by the Issuer shall be made solely for the purposes designated in the propositions authorizing the levy of the Tax. Out of the funds on deposit in the Sales Tax Fund, the Issuer shall first pay all reasonable and necessary costs and expenses of collection and administration of the Tax. After payment of such costs and expenses, then the remaining moneys in the Sales Tax Fund shall be administered and used in the following order of priority and for the following express purposes:

(a) The maintenance of the "1987 Sales Tax Bond Sinking Fund" (the "Sinking Fund"), with the regularly designated fiscal agent of the Issuer, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, monthly in advance on or before the 20th day of each month of each year, a sum equal to one-sixth (1/6) of the interest falling due on the

next Interest Payment Date and one-twelfth (1/12) of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. Said fiscal agent shall transfer from the Sinking Fund to the paying agent bank or banks for all bonds payable from the Sinking Fund, at least five (5) days in advance of the date on which payment of principal or interest falls due, immediately available funds fully sufficient to pay promptly the principal and interest so falling due on such date. Each such paying agent, including the Paying Agent, shall receive such funds in a debt service fund in the name of the Issuer hereby established, to be named the "Series _____ Sales Tax Bond Debt Service Fund" (each a "Debt Service Fund"), to be held separate and apart from other funds of said paying agent, for the purpose of paying principal of and interest on the relevant bonds payable from the Sinking Fund until the time of payment. The Paying Agent shall cause the Debt Service Fund to be collateralized in accordance with the laws of the State.

(b)The maintenance of the "1987 Sales Tax Bond Reserve Fund" (the "Reserve Fund"), with the Paying Agent or the regularly designated fiscal agent of the Issuer. On the date of issuance of the Bonds, the Issuer shall deposit into the Reserve Fund cash or a Reserve Fund Alternative Investment in an amount that, when combined with any other cash or Reserve Fund Alternative Investments then in the Reserve Fund will equal the Reserve Fund Requirement. Moneys in the Reserve Fund shall be used solely for transfer to the Sinking Fund in amounts required to prevent any default in the payment of the principal of and interest on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds and, at the option of the Issuer, for payment of the final principal and interest requirements of the Bonds.

Whenever the amount in the Reserve Fund, together with the amount in the Sinking Fund, is sufficient to pay in full all Outstanding Bonds, Outstanding Parity Bonds and any Additional Parity Bonds, in accordance with their terms (including principal or applicable premium and interest thereon), the funds on deposit in the Reserve Fund shall be transferred to the Sinking Fund and shall be available to pay all Outstanding Bonds, Outstanding Parity Bonds and any Additional Parity Bonds in accordance with their terms (including principal or applicable premium and interest thereon). Prior to said transfer, all investments held in the Reserve Fund shall be liquidated to the extent necessary in order to provide for the timely payment of principal and interest (or redemption premium) on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

In lieu of the required transfers to the Reserve Fund or to provide for the removal of all or a portion of the amounts on deposit in the Reserve Fund, the Issuer may cause to be deposited into the Reserve Fund a Reserve Fund Alternative Investment in an amount equal to (i) the difference between the Reserve Fund Requirement and the sums then on deposit in the Reserve Fund, if any or (ii) the Reserve Fund Requirement. The Reserve Fund Alternative Investment shall be payable (upon the giving of notice as required thereunder) on any due date on which moneys will be required to be withdrawn from the Reserve Fund and applied to the payment of principal of or interest on any Bonds, Outstanding Parity Bonds or Additional Parity Bonds, when such withdrawal cannot be met by amounts on deposit in the Sinking Fund or the Reserve Fund or provided from any other fund or account under this Bond Ordinance. It is expressly provided that any Reserve Fund Alternative Investment deposited in or credited to the Reserve Fund pursuant to this paragraph shall, at the time of such deposit or credit, carry a rating from at least one (1) rating agency, or if such Reserve Fund Alternative Investment is not itself rated, the Reserve Insurer providing such Reserve Fund Alternative Investment shall be so rated.

To the extent the Reserve Fund is funded in part with a Reserve Fund Alternative Investment, the Paying Agent must make claims pro rata (in the proportion which the maximum amount available under each such Reserve Fund Alternative Investment bears to the total Reserve Fund Requirement) against all such Reserve Fund Alternative Investment on deposit in the Reserve Fund.

In the event of the refunding of any Bonds, Outstanding Parity Bonds or Additional Parity

Bonds, the Issuer may withdraw from the Reserve Fund all, or any portion of, the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts to be held for the payment of the principal or redemption premium, if applicable and interest on the bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Bonds being refunded shall be deemed to have been paid pursuant to Section 23 hereof, and (ii) the amount remaining in the Reserve Fund, after giving effect to the issuance of the Refunding Bonds and the disposition of the proceeds thereof, shall not be less than the Reserve Fund Requirement.

In the event that Additional Parity Bonds are issued hereafter in the manner provided by this Bond Ordinance, there shall be immediately transferred from the proceeds of such Additional Parity Bonds and/or from the Sales Tax Fund into the Reserve Fund such amount (as may be designated in the ordinance authorizing the issuance of such Additional Parity Bonds) as will increase the total amount on deposit in the Reserve Fund to a sum equal to the Reserve Fund Requirement for all outstanding bonds payable from the Sinking Fund and any such Additional Parity Bonds; provided, however, that in the event of the issuance of Additional Parity Bonds, the Reserve Fund Requirement may be satisfied by cash or Reserve Fund Alternative Investment, or any combination thereof (provided, however, while the Bonds or the Outstanding Parity Bonds are Outstanding, any such Reserve Fund Alternative Investment shall be subject to the prior written consent of each Reserve Insurer, in any).

(c) All or any part of the moneys in the Sales Tax Fund, the Sinking Fund or the Reserve Fund shall at the written request of the Governing Authority be invested in Qualified Investments maturing in five (5) years or less, in which event all income derived from such investments shall be added to the Sales Tax Fund, with the exception that any interest earnings from invested funds of the Reserve Fund shall be retained therein until an amount equal to the Reserve Fund Requirement is on deposit therein, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Sales Tax Fund has been created.

(d) Any moneys remaining in the Sales Tax Fund on the 20th day of each month in excess of all reasonable and necessary expenses of collection and administration of the Tax and after making the required payments into the Sinking Fund and Reserve Fund for the current month and for prior months during which the required payments may not have been made (including any amounts owed a Reserve Insurer), shall be considered as surplus. Such surplus may be used by the Issuer for any of the purposes for which the Tax is authorized, including any payments pursuant to any Intergovernmental Agreement lawfully entered into by the Issuer and one or more municipalities in St. Tammany Parish, or for the purpose of retiring bonds payable from the Sinking Fund in advance of their maturities, either by purchase (at prices not greater than the then redemption prices of said bonds) or by redemption.

SECTION 13. Withdrawals from Reserve Fund. (a) If at any time it shall be necessary to use moneys in the Reserve Fund or to draw upon any Reserve Fund Alternative Investment for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used or drawn upon shall be replaced or reimbursed from the Net Revenues of the Tax first thereafter received, not hereinabove required for payments into the Sinking Fund, it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund the Reserve Fund Requirement. The obligation of the Issuer to reimburse any Reserve Insurer shall enjoy the same priority as the obligation to replenish the Reserve Fund cash or investments.

(b) If on the third Business Day prior to any Interest Payment Date the Paying Agent shall not have received moneys sufficient to pay the principal and interest on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds due on such Interest Payment Date, and shall have ascertained that the Issuer will be unable to provide such funds to the Paying Agent, then on or before 1:00 p.m. New York Time on such third Business Day the Paying Agent shall provide notice to each Reserve Insurer, and make a claim for payment on each Reserve Fund Alternative Investment in accordance with the terms of each Reserve Fund Alternative Investment.

(c) If and to the extent that cash has also been deposited in the Reserve Fund, all such cash shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing under any Reserve Fund Alternative Investment.

(d) To the extent that proceeds of a payment under any Reserve Fund Alternative Investment are applied to the payment of principal or interest on the Bonds, the Outstanding Parity Bonds or any Additional Parity Bonds, such Reserve Insurer shall be deemed to be the Owner of such portion of the bonds and the right to receive payment of such principal or interest, and shall be fully subrogated to all of the Owner's rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims for interest, the Paying Agent shall note the relative Reserve Insurer's rights as subrogee on the registration books maintained by the Paying Agent, and (ii) in the case of subrogation as to claims for principal, the Paying Agent shall note the relative Reserve Insurer's rights as subrogee on the registration books maintained by the Paying Agent upon surrender of the certificate representing such principal by the Owner thereof to the Paying Agent.

SECTION 14. Issuer Obligated to Continue to Collect Tax. The Issuer does hereby obligate itself and is bound under the terms and provisions of law to levy, impose, enforce and collect the Tax and to provide for all reasonable and necessary rules, regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds and the Outstanding Parity Bonds have been retired as to both principal and interest and all obligations to the provider of any Reserve Insurer have been paid. Nothing herein contained shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary this Bond Ordinance or any subsequent Bond Ordinance providing with respect to the Tax, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners and the provider of each Reserve Insurer with respect to the Net Revenues of the Tax. The Tax Ordinance imposing the Tax and pursuant to which the Tax is being levied, collected and allocated, and the obligations to continue to levy, collect and allocate the Tax and to apply the revenues therefrom in accordance with the provisions of this Bond Ordinance, shall be irrevocable for the full period of its authorization until the Bonds and the Outstanding Parity Bonds have been paid in full as to principal, premium, if any, and interest, and shall not be subject to amendment in any manner which would impair the rights of the Owners from time to time of the Bonds or which would in any way jeopardize the prompt payment of principal thereof and interest thereon. More specifically, neither the Legislature of Louisiana nor the Issuer may discontinue or decrease the Tax or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, or in any way make any change which would diminish the amount of the Net Revenues of the Tax pledged to the payment of the Bonds and received by the Issuer, until all of such Bonds and the Outstanding Parity Bonds shall have been retired as to both principal and interest and all amounts payable hereunder have been paid.

The Owners of any of the Bonds may, either at law or in equity, by suit, action, mandamus or other proceeding, enforce and compel performance of all duties required to be performed as a result of issuing the Bonds and may similarly enforce the provisions of any ordinance imposing the Tax and the Bond Ordinance and proceedings authorizing the issuance of the Bonds.

SECTION 15. Covenants of the Issuer. In providing for the issuance of the Bonds, the Issuer does hereby covenant that it has a legal right to levy and collect the Tax, to issue the Bonds and to pledge the Net Revenues of the Tax as herein provided, and that the Bonds will have a lien and privilege on the Net Revenues of the Tax subject only to the prior payment of the reasonable and necessary costs and expenses of administering and collecting the Tax.

The Issuer covenants that, to the extent there are no other available funds held under this Bond Ordinance to pay principal and interest on the Bonds in the event of a payment default, it will apply any remaining surplus Bond proceeds (not otherwise contractually encumbered) to the payment of such defaulted principal and interest.

SECTION 16. Bond Ordinance a Contract. The provisions of this Bond Ordinance shall constitute a contract between the Issuer and the Owner or Owners from time to time of the Bonds, and any Owner of any of the Bonds may either at law or in equity, by suit, action, mandamus or other

proceedings, enforce and compel the performance of all duties required to be performed by the Issuer as a result of issuing the Bonds, and may similarly enforce the provisions of the Tax Ordinance imposing the Tax and this Bond Ordinance.

SECTION 17. Records and Accounts Relating to Tax. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the Revenues of the Tax, including specifically but without limitation, all reasonable and necessary costs and expenses of collection.

Not later than six (6) months after the close of each Fiscal Year, or on such later date as may be allowed by the laws, rules or regulations of the State, the Issuer shall cause an audit of such books and accounts to be made by the Legislative Auditor of the State of Louisiana (or his successor) or by a recognized independent firm of certified public accountants showing the receipts of and disbursements made for the account of the Sales Tax Fund. Such audit shall be available for inspection upon request by the Owners of any of the Bonds. The Issuer further agrees that the Paying Agent and the Owners of any of the Bonds shall have at all reasonable times the right to inspect the records, accounts and data of the Issuer relating to the Tax.

SECTION 18. Issuance of Refunding and Additional Parity Bonds. All of the Bonds and the Outstanding Parity Bonds shall enjoy complete parity of lien on the Net Revenues of the Tax despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer, acting through its governing authority, hereby covenants that it will issue no other bonds or obligations having priority over or parity with the Bonds with respect to the Net Revenues of the Tax, except that bonds may hereafter be issued on a parity with the Bonds under the following conditions:

(a) The Bonds and the Outstanding Parity Bonds, or any part thereof, including interest and redemption premiums thereon, may be refunded and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds and the Outstanding Parity Bonds which is not refunded, if there be any; provided, however, that if only a portion of the Bonds Outstanding is so refunded and if the refunding bonds require principal and interest payments during any Bond Year (ending June 1) in excess of the principal and interest which would have been required in such Bond Year to pay the bonds refunded thereby, then such bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds and the Outstanding Parity Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause (b) below).

(b) Additional parity bonds may also be issued, and such additional parity bonds shall be on a parity with the Bonds if all of the following conditions are met:

(i) The average annual revenues derived by the Issuer from the Tax when computed for the last two (2) completed calendar years immediately preceding the issuance of the Additional Parity Bonds must have been not less than 1.35 times the highest combined principal and interest requirements for any succeeding calendar year on all Bonds and Outstanding Parity Bonds then outstanding, including any Additional Parity Bonds theretofore issued and then outstanding, and any other bonds or other obligations whatsoever then outstanding which are payable from the Net Revenues of the Tax (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption) and the bonds so proposed to be issued;

(ii) The payments to be made into the various funds provided for in Section 12 hereof must be current;

(iii) The existence of the facts required by paragraphs (a) and (b) above must be confirmed by the Chief Financial Officer of the Parish, or its successor, or by an independent certified public accountant;

(iv) The additional parity bonds must be payable as to principal on June 1st of each year in which principal falls due, beginning not later than three (3) years after the date of such bonds, and payable as to interest on June 1 and December 1 of each year;

(v) No additional parity bonds may be issued should any event of default under the Bond Ordinance have occurred and be continuing; and

(vi) No additional parity bonds may be issued without the Insurer's, if any, prior written consent if any amounts are past due and owing to the Insurer, if any.

SECTION 19. Remedies on Default. If one or more of the following events (in this Bond Ordinance called "Events of Default") shall happen, that is to say,

(i) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise (in determining whether a principal payment default has occurred, no effect shall be given to payments made under any municipal bond insurance policy); or

(ii) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable (in determining whether an interest payment default has occurred, no effect shall be given to payments made under any municipal bond insurance policy); or

(iii) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Ordinance, any supplemental ordinance or in the Bonds, and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Insurer, if any, or the Owners of not less than 25% of the Bond Obligation; or

(iv) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law;

then, upon the happening and continuance of any Event of Default the Insurer, if any, and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law; provided, however, that the exercise of remedies at the direction of the Owners is subject to the prior written consent of the Insurer, if any, and the Insurer, if any, acting alone, shall have the exclusive right to direct any action or remedy to be undertaken so long as it is not then in default of its payment obligations under any applicable municipal bond insurance policy. Under no circumstances may the principal or interest of any of the Bonds be accelerated. The Issuer shall notify the Insurer, if any, immediately upon the occurrence of any Event of Default. No Event of Default shall be waived without the consent of the Insurer, if any. All remedies shall be cumulative with respect to the Paying Agent, the Owners and the Insurer, if any; if any remedial action is discontinued or abandoned, the Paying Agent, the Owners and the Insurer, if any, shall be restored to the former positions.

The Paying Agent or Issuer shall provide the Insurer, if any, with immediate notice of any payment default, and notice of any other default known to the Paying Agent within thirty (30) days of the Paying Agent's or Issuer's knowledge thereof.

SECTION 20. Fidelity Bonds for Officers and Employees. So long as any of the Bonds are outstanding and unpaid, the Issuer shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the collection of the Tax, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION 21. Amendments to Bond Ordinance; Consent of Insurer, if any. No material modification or amendment of this Bond Ordinance, or of any Bond Ordinance amendatory hereof or

supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Bonds then outstanding; provided, however, that no such modification or amendment shall permit a change in the maturity of the Bonds or the redemption provisions thereof, or a reduction in the rate of interest thereon, or the promise of the Issuer to pay the principal of and the interest on the Bonds as the same shall come due from the Revenues of the Tax, or reduce the percentage of owners required to consent to any material modification or amendment of this Bond Ordinance, without the consent of all of the Owner or Owners of the Bonds. Any amendment or supplement to the Bond Ordinance shall be subject to the prior written consent of the Insurer, if any. Any rating agency rating the Bonds must receive notice of each amendment and a copy thereof at least 15 days in advance of its execution or adoption. The Insurer, if any, shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

SECTION 22. Mutilated, Destroyed, Lost or Stolen Bonds. If (a) any mutilated Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (b) there is delivered to the Issuer and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Bond Ordinance equally and ratably with all other Outstanding Bonds. The procedures set forth in the Agreement authorized in this Bond Ordinance shall also be available with respect to mutilated, destroyed, lost or stolen Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 23. Defeasance. If the Issuer shall pay or cause to be paid to the Owners of all Bonds then outstanding, the principal and interest to become due thereon, at the times and in the manner stipulated therein and in the Bond Ordinance, then the covenants, agreements and other obligations of the Issuer to the Owners shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Bond Ordinance which are not required for the payment of Bonds not theretofore surrendered for such payment.

Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

SECTION 24. Successor Paying Agent; Paying Agent Agreement; Notice to Insurer, if any. The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Bond Ordinance is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of a Bond Ordinance giving notice of the termination of the Agreement and appointing a successor and (b) causing notice to be given to each Owner. Every Paying Agent appointed hereunder shall at all times be a bank

or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the Issuer in such form as may be satisfactory to said officers, the signatures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent. The Insurer, if any, shall be furnished with written notice of the resignation or removal of the Paying Agent and the appointment of any successor thereto.

SECTION 25. Escrow Agent; Appointment and Acceptance of Duties. _____, in the City of _____, Louisiana, is hereby appointed Escrow Agent. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Ordinance by executing and delivering the Escrow Agreement. The Escrow Agent is authorized to file, on behalf of the Issuer, subscription forms for any Government Securities required by the Escrow Agreement. A successor to the Escrow Agent may be designated in the manner set forth in the Escrow Agreement.

SECTION 26. Effect of Registration. The Issuer, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 27. Notices to Owners. Wherever this Bond Ordinance provides for notice to Owners of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register. In any case where notice to Owners of Bonds is given by mail, neither the failure to mail such notice to any particular Owner of Bonds, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Bond Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 28. Cancellation of Bonds. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent. All cancelled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

SECTION 29. Preparation of Bonds; Deposit of Bond Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Bond Ordinance, to cause the necessary Bonds to be printed or lithographed, to issue, execute, seal and deliver the Bonds, to effect the delivery of the Bonds in accordance with the sale thereof, to collect the purchase price therefor, and to deposit the funds derived from the sale of the Bonds (except accrued interest, which shall be deposited in the Sinking Fund and proceeds of the Bonds, if any, to be deposited in the Reserve Fund in accordance with the provisions of Section 12 hereof) in a special account pursuant to the Escrow Agreement. The proceeds derived from the sale of the Bonds shall constitute a trust fund to be used exclusively for the purposes for which the Bonds are herein authorized to be issued, but the Underwriter of the Bonds shall not be obliged to see to the application thereof.

SECTION 30. Arbitrage. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion

from “gross income” of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be “arbitrage bonds” or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds.”

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 31. Bonds are not “Qualified Tax-Exempt Obligations”. The Bonds are not designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

SECTION 32. Publication. A copy of this Bond Ordinance shall be published immediately after its adoption in one issue of the official journal of the Issuer.

SECTION 33. Disclosure Under SEC Rule 15c2-12. The Executive Officers, or any of them, are hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate as may be approved by Bond Counsel that complies with the requirements of S.E.C. Rule 15c2-12(b)(5).

SECTION 34. Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 35. Notice of Defeasance and Call for Redemption. In accordance with the Outstanding Parity Bond Ordinance, a Notice of Defeasance and Call for Redemption, in substantially the form attached hereto as Exhibit D, shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

SECTION 36. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 37. Effective Date. This Bond Ordinance shall become effective immediately.

ORDINANCE CALENDAR NUMBER: 4960

ORDINANCE COUNCIL SERIES NO. _____

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MOVED FOR ADOPTION BY:

SECONDED BY:

WHEREUPON, THIS ORDINANCE WAS SUBMITTED TO A VOTE AND RESULTED IN THE FOLLOWING:

YEAS:

NAYS:

ABSTAIN:

ABSENT:

THIS ORDINANCE WAS DECLARED ADOPTED AT A REGULAR MEETING OF THE PARISH COUNCIL ON THE ___ DAY OF _____, 2013, AND BECOMES ORDINANCE COUNCIL SERIES NO. _____.

JERRY BINDER, COUNCIL CHAIRMAN

ATTEST:

THERESA FORD, COUNCIL CLERK

HONORABLE PAT BRISTER, PARISH PRESIDENT

Published introduction: January 30, 2013

Published adoption on: _____, 2013

Delivered to Parish President: _____, 2013 at _____

Returned to Council Clerk: _____, 2013 at _____

ORDINANCE CALENDAR NUMBER: 4960

ORDINANCE COUNCIL SERIES NO. _____

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Exhibit A

Form of Escrow and Deposit Agreement

ORDINANCE CALENDAR NUMBER: 4960

ORDINANCE COUNCIL SERIES NO. _____

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Exhibit B

Form of Bond Purchase Agreement

Exhibit C

Additional Provisions Regarding Registration

The Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), as registered owner of the Bonds, and held in the custody of DTC. The Clerk of Council of the Governing Authority or any other officer of the Issuer is authorized to execute and deliver a Letter of Representation to DTC on behalf of the Issuer with respect to the issuance of the Bonds in “book-entry only” format. The Paying Agent is hereby directed to execute said Letter of Representation. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of this Bond Ordinance and said Letter of Representation. Initially, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

Notwithstanding anything to the contrary herein, while the Bonds are issued in book-entry-only form, the payment of principal of, premium, if any, and interest on the Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

- (a) DTC determines to discontinue providing its service with respect to the Bonds. Such a determination may be made at any time by giving 30 days' notice to the Issuer and the Paying Agent and discharging its responsibilities with respect thereto under applicable law; or
- (b) The Issuer determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in the best interests of the Issuer and/or the Beneficial Owner.

The Issuer and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the Issuer, the Paying Agent or the Underwriter are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy *in lieu* of consent.

Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Bond Ordinance of holding, delivering or transferring the Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

ORDINANCE CALENDAR NUMBER: 4960

ORDINANCE COUNCIL SERIES NO. _____

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Exhibit D

Form of Redemption Notices

ORDINANCE CALENDAR NUMBER: 4960

ORDINANCE COUNCIL SERIES NO. _____

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Exhibit E

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, the undersigned Clerk of Council of the Parish Council of the Parish of St. Tammany, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of an ordinance adopted by the Parish Council on _____, 2013, authorizing the sale of not exceeding Forty-Four Million Three Hundred Fifty Thousand Dollars (\$44,350,000) of Sales Tax Refunding Bonds, Series 2013 of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana; prescribing the form, terms and conditions of such bonds and providing for the payment thereof; authorizing an agreement with the paying agent; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature on this, the ____ day of _____, 2013.

Clerk of Council