

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO. 3158

ORDINANCE COUNCIL SERIES NO. _____

COUNCIL SPONSOR: STEFANCIK/PRESIDENT

PROVIDED BY: BOND COUNSEL

INTRODUCED BY : _____

SECONDED BY: _____

ON THE _____ DAY OF _____ 2005

An ordinance providing for the issuance of _____ *
Dollars (\$ _____ *) of Sales Tax Refunding Bonds, Series 2005
(Jail), of the Parish of St. Tammany, State of Louisiana; prescribing
the form, fixing the details and providing for the rights of the owners
thereof; providing for the payment of such bonds and the application
of the proceeds thereof to the refunding of certain bonds of said Parish;
awarding said bonds to the underwriters thereof and providing for
other matters in connection therewith.

WHEREAS, the Parish of St. Tammany (the "Issuer"), is now levying and collecting
a one-fourth of one percent (1/4%) sales and use tax by virtue of an ordinance, adopted by the Issuer
on February 18, 1998 (the "Tax"), under the authority of an election held by the Issuer on January 17,
1998, at which the following proposition was approved by a majority of the qualified electors voting
in such election, viz:

JAIL PROPOSITION

SUMMARY: 1/4%, 20 YEARS SALES AND USE TAX
DEDICATED SOLELY FOR PROVIDING AND MAINTAINING
JAIL FACILITIES FOR THE SHERIFF TO INCARCERATE
PRISONERS, INCLUDING ACQUISITION OF LAND,
EQUIPMENT AND FURNISHINGS THEREFOR, WITH THE
PROCEEDS OF THE TAX BEING SUBJECT TO FUNDING INTO
BONDS FOR ACQUIRING, CONSTRUCTING AND IMPROVING
SAID JAIL FACILITIES.

Shall the Parish of St. Tammany, State of Louisiana (the "Parish")
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 one-fourth of one
percent (1/4%) (the "Tax") upon the sale at retail, the use, the lease or
rental, the consumption and storage for use or consumption of tangible
personal property and on sales of services in the Parish, all as defined
in La. R.S. 47:301 through 47:317, inclusive, for a period of twenty
(20) years from the date of the first levy of the Tax, with the avails or
proceeds of the Tax (after paying the reasonable and necessary
expenses of collecting and administering the Tax) to be dedicated and
used solely for the purpose of acquiring, constructing, improving,
operating and maintaining jail facilities for the St. Tammany Parish
Sheriff to incarcerate prisoners, including the acquisition of land,
equipment and furnishings therefor, title to which shall be in the
public, and shall the Parish be further authorized to fund the proceeds
of the Tax into bonds for the purpose of acquiring, constructing and
improving said jail facilities, including the acquisition of land,
equipment and furnishings therefor, 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?

*Not Exceeding \$14,000,00

WHEREAS, pursuant to the authority of the aforesaid election and ordinance adopted by the Issuer, the Issuer is now levying and collecting the Tax; and

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

WHEREAS, the Issuer has heretofore issued bonds which are currently outstanding and payable from a pledge and dedication of the Tax, consisting of \$14,745,000 of Sales Tax Bonds, Series 1998, maturing serially on April 1 of the years 2006 to 2018, inclusive (the "1998 Bonds"); and

WHEREAS, the Issuer has found and determined that the refunding of \$12,180,000 of the 1998 Bonds, consisting of those 1998 Bonds which mature April 1, 2009 to April 1, 2018, inclusive (the "Refunded Bonds"), would be financially advantageous to the Issuer; and

WHEREAS, this Governing Authority on October 6, 2005, authorized the issuance of the hereinafter defined Bonds and the sale thereof to the Underwriters, at such time as the sale of the Bonds produces net present value savings (after payment of all costs) to taxpayers of at least 3% of the principal amount of the Refunded Bonds; 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 the Issuer to adopt this Bond Ordinance in order to provide for the issuance of _____ Dollars (\$ _____) principal amount of its Sales Tax Refunding Bonds, Series 2005 (Jail) (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 underwriters thereof; and

WHEREAS, it is the intention of the Issuer that the Bonds authorized herein be secured by and payable from the Net Revenues of the Tax on a parity with \$2,565,000 of unrefunded 1998 Bonds maturing serially on April 1, 2006 to April 1, 2008, inclusive (the "Outstanding Parity Bonds"); and

WHEREAS, it is further necessary to provide for the application of a portion of the proceeds of the Bonds to the refunding of the Refunded Bonds and to provide for other matters in connection with the payment or redemption of the Refunded Bonds; 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, if any, of the Refunded Bonds described in Exhibit A hereto, and to provide for the call for redemption of the Refunded Bonds, pursuant to a Notice of Defeasance and Call for Redemption; and

WHEREAS, it is necessary that this Parish Council prescribe the form and content of a Defeasance and Escrow Deposit Agreement providing for the payment of the principal, premium and interest of the Refunded Bonds and authorize the execution thereof as hereinafter provided; and

WHEREAS, the Issuer desires to sell the Bonds to the underwriter thereof and to fix the details of the Bonds and the terms of the sale of the Bonds;

NOW, THEREFORE, BE IT ORDAINED by the Parish Council of the Parish of St. Tammany, State of Louisiana (the "Governing Authority"), acting as the governing authority of the Parish of St. Tammany, State of Louisiana, that:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions. The following terms shall have the following meanings unless the context otherwise requires:

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

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

"Bond" or "Bonds" shall mean any or all of the Sales Tax Refunding Bonds of the Parish of St. Tammany, State of Louisiana, Series 2005 (Jail), issued pursuant to the Bond Ordinance, as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or *in lieu* of any previously issued Bond.

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

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

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

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

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

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

"Defeasance Obligations" shall mean (a) cash, or (b) non-callable Government Securities.

"Escrow Agent" shall mean JP Morgan Trust Company, NA, in the City of Baton Rouge, 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 dated as of October 1, 2005, between the Issuer and the Escrow Agent, substantially in the form attached hereto as Exhibit B, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

"Executive Officers" shall mean collectively the Parish President and Finance Director and the Clerk of Council of the Parish Council of the Parish of St. Tammany, State of Louisiana.

"Fiscal Year" shall mean the one-year period commencing on January 1 of each year, or such other one-year period as may be designated by the Governing Authority as the fiscal year of the Issuer.

"Governing Authority" shall mean the Parish Council of the Parish of St. Tammany, State of Louisiana, or its successor in function.

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

"Insurer" means, with respect to the Bonds, _____, or any successor thereto.

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

"Interest Payment Date" shall mean April 1 and October 1 of each year, commencing April 1, 2006.

"Issuer" shall mean the Parish Council of the Parish of St. Tammany, State of Louisiana.

"Net Revenues of the Tax" or **"Revenues of the Tax"** shall mean the avails or proceeds of the Issuer's one-fourth of one percent (1/4%) sales and use tax authorized at the election held within the corporate boundaries of the Issuer on January 17, 1998, which revenues are authorized to be funded into bonds and are pledged to the payment of the Bonds as herein provided.

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

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

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

or provided for pursuant to the Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

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

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

"Outstanding Parity Bonds" shall mean the Issuer's \$2,565,000 of unrefunded 1998 Bonds maturing serially on April 1, 2006 through April 1, 2008, inclusive, as described in the preamble hereto.

"Owner" shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent.

"Parity Bond Resolution" shall mean Resolution Police Jury Series No. 98-8638 adopted by the Police Jury of the Parish of St. Tammany, State of Louisiana on April 23, 1998, authorizing the issuance of the Outstanding Parity Bonds.

"Paying Agent" shall mean JP Morgan Trust Company, NA, in the City of Baton Rouge, Louisiana, as paying agent and registrar hereunder, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.

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

"Qualified Investments" shall mean the following, provided that the same are at the time legal for investment of the Issuer's funds and, if required by law, are secured at all times by collateral described in clause (i) below:

- (i) Government Securities, including obligations of any of the Federal agencies set forth in clause (ii) below to the extent unconditionally guaranteed by the United States of America and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (i) such as those securities commonly known as CATS, TIGRS and/or STRIPS;
- (ii) bonds, debentures or other evidences of indebtedness issued by the Private Export Funding Corporation, Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Student Loan Marketing Association;
- (iii) certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the State or any national banking association having its principal office in the State (including the Paying Agent or the Escrow Agent) which is a member of the Federal Deposit Insurance Corporation and which are secured at all times by collateral described in clause (i) above;

- (iv) certificates of deposit, savings accounts, deposit accounts or money market deposits of any bank or trust company organized under the laws of the State or any national banking association having its principal office in the State (including the Paying Agent and the Escrow Agent) which are fully insured by the Federal Deposit Insurance Corporation; and
- (v) the Louisiana Asset Management Pool (LAMP).

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

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

"Refunded Bonds" shall mean the Issuer's outstanding Sales Tax Bonds, Series 1998 (Jail), maturing April 1, 2009 to April 1, 2018, inclusive, which are being refunded by the Bonds, as more fully described in Exhibit A hereto.

"Reserve Fund Requirement" shall mean, as of any date of calculation, a sum equal to the lesser of (i) 10% of the proceeds of the Bonds, the Outstanding Parity Bonds and any issue of additional *pari passu* bonds payable from the Tax or (ii) the highest combined principal and interest requirements for any succeeding Bond Year on the Bonds, the Outstanding Parity Bonds and any issue of additional *pari passu* bonds payable from the Tax.

"State" shall mean the State of Louisiana.

"Tax" means the 1/4% sales and use tax now being levied and collected by the Issuer pursuant to an election held on January 17, 1998 and an ordinance adopted on November 28, 1989.

"Tax Ordinance" means an ordinance adopted by the Governing Authority on February 18, 1998, providing for the levy and collection of the Tax.

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

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

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.1. Authorization of Bonds and Escrow Agreement. (a) This Bond Ordinance creates a series of Bonds of the Issuer to be designated "Sales Tax Refunding Bonds, Series 2005 (Jail), of the Parish of St. Tammany, State of Louisiana" and provides for the full and final payment of the principal or redemption price of and interest on all of the Bonds.

(b) The Bonds issued under this Bond Ordinance shall be issued for the purpose of refunding the Refunded Bonds 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, if any, and interest on the Refunded Bonds as they mature or upon earlier redemption as provided in Section 13.1 hereof.

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

(d) 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 B 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, premium, if any, 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.

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

SECTION 2.3. Obligation of Bonds. The Bonds shall be secured by and payable in principal, premium, if any, and interest solely from an irrevocable pledge and dedication of the Net Revenues of the Tax. The Net Revenues of the Tax are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Net Revenues of the Tax shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds in principal, premium, if any, and interest and for all other payments provided for in this Bond Ordinance until such bonds shall have been fully paid and discharged.

SECTION 2.4. Insurance of the Bonds. The Issuer does hereby find that since substantial benefits will accrue from the insurance of the Bonds, the Bonds are being insured by the Insurer and an appropriate legend shall be printed on the Bonds as evidence of such insurance. The cost of the Municipal Bond Insurance Policy shall be paid from the proceeds of the Bonds.

SECTION 2.5. Authorization and Designation. Pursuant to the provisions of the Act, there is hereby authorized the issuance of _____ Dollars (\$_____) principal amount of Bonds of the Issuer to be designated "Sales Tax Refunding Bonds, Series 2005

(Jail), of the Parish of St. Tammany, State of Louisiana," for the purpose of refunding the Refunded Bonds and paying the Costs of Issuance. The Bonds shall be in substantially the form set forth in Exhibit C hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

SECTION 2.6. Denominations, Dates, Maturities and Interest. The Bonds are issuable as fully registered bonds without coupons in the denominations of \$5,000 principal amount or any integral multiple thereof within a single maturity, and shall be numbered R-1 upwards.

The Bonds shall be dated the date of delivery thereof, shall mature on April 1 in the years and in the principal amounts and shall bear interest, payable on the Interest Payment Dates, at the rates per annum, as follows:

<u>DATE</u> <u>(APRIL 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>	<u>DATE</u> <u>(APRIL 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2006			2013		
2007			2014		
2008			2015		
2009			2016		
2010			2017		
2011			2018		
2012					

SECTION 2.7. Payment of Principal and Interest. The principal and premium, if any, of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to each Owner (determined as of the close of business on the applicable Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose. Except as otherwise provided in this Section, Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date. The Person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

SECTION 2.8. Book Entry Registration of Bonds. 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 Executive Officers of the Issuer or any other officer of the Issuer is authorized to execute and deliver a Blanket Letter of Representation to DTC on behalf of the Issuer with respect to the issuance of the Bonds in "book-entry only" format. 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 (as defined in the Blanket Letter of Representation) 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 Owners.

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 or the Paying Agent 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 Resolution 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.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 3.1. Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the outstanding principal amount of the Bonds. Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denomination of the same maturity and like aggregate principal amount. At the

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

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

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

SECTION 3.2. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt a ordinance or ordinance and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or *in lieu of* and in substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) compliance with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 3.4 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof. Any such duplicate Bond issued pursuant to this Section shall constitute an original, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects identical with those replaced except that it shall bear on its face the following additional clause: "This bond is issued to replace a lost, cancelled or destroyed bond under the authority of R.S. 39:971 through 39:974."

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

Bonds and the rights of the Owner of the duplicate Bonds being the same as those conferred by the original Bonds.

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

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

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

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

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

"OFFICE OF SECRETARY OF STATE
STATE OF LOUISIANA
BATON ROUGE

Incontestable. Secured by a pledge and dedication of a sales and use tax in the Parish of St. Tammany, State of Louisiana. Registered this _____ day of _____, 2005.

Secretary of State

SECTION 3.7. Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to-wit:

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

ARTICLE IV

PAYMENT OF BONDS; DISPOSITION OF FUNDS

SECTION 4.1. Deposit of Funds With Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from the moneys derived from the Net Revenues of the Tax or other funds available for such purpose, at least three (3) days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal, premium, if any, and interest so falling due on such date.

SECTION 4.2. Issuer Obligated to Collect Tax. In compliance with the laws of Louisiana, the Issuer, by proper ordinances and/or ordinances, is obligated to cause the Tax to continue to be levied and collected until all of the Bonds have been retired as to both principal and interest, and further shall not discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, nor in any way make any change which would diminish the amount of the revenues of the Tax to be received by the Issuer until all of the Bonds have been retired as to both principal and interest.

SECTION 4.3. Funds and Accounts. In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the Issuer further covenants as follows:

In compliance with the ordinance adopted on February 18, 1998, providing for the levy and collection of the Tax, all of the avails or proceeds derived from the levy and collection thereof 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 "Sales Tax Fund -1998 (Jail)" (hereinafter called 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 proposition authorizing the levy of the Tax, including the payment of the Bonds.

Out of the funds on deposit in the Sales Tax Fund, the Issuer shall first pay all reasonable and necessary expenses of collection and administration of the Tax. After

payment of such expenses, the remaining balance of the proceeds of the Tax shall be used in the following order of priority and for the following express purposes:

- (a) The maintenance of the "Sales Tax Bond Sinking Fund (Jail)" (hereinafter called the Sinking Fund"), established pursuant to the Parity Bond Resolution, sufficient in amount to pay promptly and fully the principal of, premium, if any, and the interest on the Bonds herein authorized and the Outstanding Parity Bonds, including any pari passu bonds issued hereafter in the manner provided by this Bond Ordinance, as they severally become due and payable, by transferring from the Sales Tax Fund to the regularly designated fiscal agent of the Issuer, monthly in advance on or before the 20th day of each month of each year, 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 three (3) days in advance of the date on which payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.
- (b) The maintenance of the "Sales Tax Bond Reserve Fund (Jail)" (hereinafter called the "Reserve Fund") established pursuant to the Parity Bond Resolution by retaining in the Reserve Fund, a sum equal to the Reserve Fund Requirement [in the event a Surety Bond is used for the Reserve Fund, appropriate language will be inserted], the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and the interest on the Bonds and the Outstanding Parity Bonds payable from the aforesaid Sinking Fund as to which there would otherwise be default. In the event that additional pari passu bonds are issued hereafter in the manner provided by this Bond Ordinance, there shall be transferred from the proceeds of such additional bonds and/or from the said Sales Tax Fund into the Reserve Fund monthly or annually, such amounts (as may be designated in the ordinance authorizing the issuance of such pari passu bonds) as will increase the total amount on deposit in the Reserve Fund within a period not exceeding five (5) years to a sum equal to the Reserve Fund Requirement for all outstanding bonds payable from the Sinking Fund, including any such additional pari passu bonds.

If at any time it shall be necessary to use moneys in the Reserve Fund above provided for the purpose of paying principal or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues 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 an amount equal to the Reserve Fund Requirement.

All or any part of the moneys in the Sales Tax Fund, Sinking Fund and Reserve Fund shall, at the written request of the Issuer, be invested in Qualified Investments, herein defined, except for (a) Bond proceeds representing accrued interest and (b) moneys on deposit in the Reserve Fund, which shall be invested in Government Securities maturing in five (5) years or less. All income derived from such Qualified Investments shall be added to the Sales Tax Fund, 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 was created. Notwithstanding the foregoing, income on investments in the Reserve Fund shall be added to the Sales Tax Fund only to the extent that the amount then on deposit in the Reserve Fund equals or exceeds the Reserve Fund Requirement.

All 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 the Reserve Fund for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Issuer for any of the purposes for which the Tax is authorized or for the purpose of retiring Bonds in advance of their maturities, either by purchase of Bonds then outstanding at prices not greater than the then redemption prices of said Bonds, or by redeeming such Bonds at the prices and in the manner set forth in this Bond Ordinance.

The Sales Tax Fund, the Sinking Fund, and the Reserve Fund provided for in this Section shall all be and constitute trust funds for the purposes provided in this Bond Ordinance, and the Owners of Bonds issued pursuant to this Bond Ordinance are granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State of Louisiana.

SECTION 4.4. Investment of Funds. All or any part of the moneys in the Sales Tax Fund, Bond Sinking Fund and Reserve Fund shall, at the written request of the Issuer, be invested in Qualified Investments except for (a) Bond proceeds representing accrued interest and (b) moneys on deposit in the Reserve Fund, which shall be invested in Government Securities maturing in five (5) years or less. All income derived from such Qualified Investments shall be added to the Sales Tax Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Sales Tax Fund is created. Notwithstanding the foregoing, income on investments in the Reserve Fund shall be added to the Sales Tax Fund only to the extent that the amount then on deposit in the Reserve Fund equals or exceeds the Reserve Fund Requirement.

SECTION 4.5. Funds to Constitute Trust Funds. The Sales Tax Fund, the Sinking Fund, and the Reserve Fund provided for in Section 4.3 hereof shall all be and constitute trust funds for the purposes provided in this Bond Ordinance, and the Owners of Bonds issued pursuant to this Bond Ordinance are hereby granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State.

SECTION 4.6. Method of Valuation and Frequency of Valuation. In computing the amount in any fund provided for in Section 4.3, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to all funds and accounts (except the Reserve Fund), valuation shall occur annually. The Reserve Fund shall be valued semi-annually, except in the event of a withdrawal from the Reserve Fund, whereupon it shall be valued immediately after such withdrawal.

ARTICLE V

REDEMPTION OF BONDS

SECTION 5.1. Redemption of Bonds.

[TO BE INSERTED]

ARTICLE VI

PARTICULAR COVENANTS

SECTION 6.1. 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 immediately make an initial cash deposit and purchase the Defeasance Obligations described in the Escrow Agreement, which, together with the initial cash deposit deposited therein, 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), and (b) deposit in trust 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.

SECTION 6.2. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal or redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

SECTION 6.3. Tax Covenants. (a) To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from "gross income" of interest on the bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or would result in the inclusion of the interest on any Bond in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of the proceeds of the Bonds, (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America, or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds" under the Code.

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

(c) 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 6.4. Bonds are not "Bank-Qualified". The Bonds are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

SECTION 6.5. Disclosure Under SEC Rule 15c2-12. The Executive Officers are hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in Appendix H of the official statement issued in connection with the sale and issuance of the Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

SECTION 6.6. Obligation to Collect Taxes. The Issuer recognizes that the governing authority of the Issuer is bound under the terms and provisions of law, to levy, impose, enforce and collect the Tax and to provide for all reasonable and necessary rules, regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds have been retired as to both principal and interest. Nothing herein contained shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary the ordinances adopted providing for the levying, imposition, enforcement and collection of the Tax or any subsequent ordinance providing therefor, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the revenues from the Tax. The ordinances imposing the Tax and pursuant to which the Tax is being levied, collected and allocated, and the obligation to continue to levy, collect and allocate the Tax and to apply the revenues therefrom in accordance with the provisions of this Bond Ordinance, shall be irrevocable until the Bonds have been paid in full as to both principal and interest, and shall not be subject to amendment in any manner which would impair the rights of the Owners from time to time of the Bonds or which would in any way jeopardize the prompt payment of principal thereof and interest thereon. More specifically, neither the Legislature of Louisiana, or the Issuer may discontinue or decrease the Tax or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, or in any way make any change in such Tax which would diminish the amount of the sales tax revenues to be received by the Issuer, until all of such Bonds shall have been retired as to both principal and interest.

SECTION 6.7. Indemnity Bonds. So long as any of the Bonds are outstanding and unpaid, the Issuer shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the collection of the Tax, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION 6.8. Issuer to Maintain Books and Records. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the revenues of the Tax, including specifically but without limitation, all reasonable and necessary costs and expenses of collection. Not later than six (6) months after the close of each Fiscal Year, the Issuer shall cause an audit of such books and accounts to be made by the Legislative Auditor of the State of Louisiana (or his successor) or by a recognized independent firm of certified public accountants showing the receipts of and disbursements made for the account of the aforesaid 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.

ARTICLE VII

SUPPLEMENTAL BOND ORDINANCES

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

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

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

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

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

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

SECTION 7.2. Supplemental Ordinances Effective With Consent of Owners. Except as provided in Section 7.1, any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Bond Obligation at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy and collect the Tax for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of either the Paying Agent or the Escrow Agent without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of the Bond Ordinance if the same adversely affects or diminishes the rights of the Owners of said Bonds.

ARTICLE VIII

ADDITIONAL PARITY BONDS

SECTION 8.1. Issuance of Additional Parity Bonds. The Bonds shall enjoy complete parity of lien on the Revenues of the Tax despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues of the Tax having

priority over or parity with the Bonds, except that bonds may hereafter be issued on a parity with the Bonds under the following conditions:

(2) The 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 which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded, provided, however, that if all or any portion of the Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any Bond Year in excess of the principal and interest which would have been required in such Bond Year to pay the Bonds refunded thereby, then such Bonds may not be refunded without consent of the Owners of the unrefunded portion of the Bonds.

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

(a) The average annual revenues derived by the Issuer from the Tax when computed for the two (2) completed Fiscal Years immediately preceding the issuance of the additional bonds must have been not less than 1.5 times the highest combined principal and interest requirements for any succeeding Fiscal Year period on all Bonds then outstanding, including any pari passu additional bonds theretofore issued and then outstanding and any other bonds or other obligations whatsoever then outstanding which are payable from the Tax (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption) and the bonds so proposed to be issued;

(b) The payments to be made into the various funds provided for in Section 10 hereof must be current;

(c) The existence of the facts required by paragraphs (i) and (ii) above must be determined and certified to by the chief financial officer of the Issuer or by a firm of independent certified public accountants who have been employed for that purpose;

(d) The additional bonds must be payable as to principal on April 1st of each year in which principal falls due beginning not later than three (3) years from the date of issuance of said additional bonds and payable as to interest on April 1st and October 1st each year.

ARTICLE IX

REMEDIES ON DEFAULT

SECTION 9.1. Events of Default. If one or more of the following events (in this Bond Ordinance called "Events of Default") shall happen, that is to say,

- (a) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise (in determining whether a principal payment default has occurred, no effect shall be given to payments made under the Municipal Bond Insurance Policy); or
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due

and payable (in determining whether an interest payment default has occurred, no effect shall be given to payments made under the Municipal Bond Insurance Policy); or

- (c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Ordinance, any supplemental resolution or in the Bonds contained and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Insurer or by any Owner; or
- (d) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law;

then, upon the happening and continuance of any Event of Default the Insurer 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, and the Insurer, 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 the Municipal Bond Insurance Policy. The Issuer shall notify the Insurer immediately upon the occurrence of any Event of Default. No event of Default shall be waived without the consent of the Insurer. All remedies shall be cumulative with respect to the Paying Agent, the Owners and the Insurer; if any remedial action is discontinued or abandoned, the Paying Agent, the Owners and the Insurer shall be restored to their former positions.

The Paying Agent or Issuer shall provide the Insurer 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.

ARTICLE X

CONCERNING FIDUCIARIES

SECTION 10.1. Escrow Agent; Appointment and Acceptance of Duties. JP Morgan Trust Company, NA, in the City of Baton Rouge, 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 10.2. Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Bond Ordinance. The designation of JP Morgan Trust Company, NA as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Ordinance by executing and delivering an acceptance of its rights, duties and obligations as Paying Agent set forth herein in form and substance satisfactory to the Issuer.

SECTION 10.3. Successor Paying Agent. Any successor Paying Agent shall (i) be a trust company or bank in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority and (ii) have a reported capital and surplus of not less than \$10,000,000.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Defeasance. (a) If the Issuer shall pay or cause to be paid to the Owners of all Bonds then outstanding, the principal and interest 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 11.2. Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

SECTION 11.3. Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date

and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

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

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

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

SECTION 11.7. Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or Owners thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the Owner or Owners of the Refunded Bonds.

SECTION 11.8. Severability. In case any one or more of the provisions of the Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Ordinance or of the Bonds, but the Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of the Bond Ordinance which validates or makes legal any provision of the Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to the Bond Ordinance and to the Bonds.

SECTION 11.9. Publication of Bond Ordinance. This Bond Ordinance shall be published one time in the official journal of the Issuer; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication.

SECTION 11.10. Execution of Documents. In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 11.11. Recordation. A certified copy of this Bond Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of St. Tammany, State of Louisiana.

SECTION 11.12. Repeal. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

SECTION 11.13. Effective Date. This Ordinance shall become effective immediately after adoption.

ARTICLE XII

SALE OF BONDS

SECTION 12.1. Sale of Bonds. The Bonds have been awarded to and sold to the Underwriter at the price and under the terms and conditions set forth in the Bond Purchase Agreement attached hereto as Exhibit D, and after their execution, registration by the Secretary of State and authentication by the Paying Agent, the Bonds shall be delivered to the Underwriter or their agents or assigns, upon receipt by the Issuer of the agreed purchase price.

SECTION 22. Official Statement. The Issuer hereby approves the form and content of the Preliminary Official Statement dated _____, 2005, pertaining to the Bonds, which has been submitted to the Issuer, and hereby ratifies its prior use by the Underwriter in connection with the sale of the Bonds. The Issuer further approves the form and content of the final Official Statement and hereby authorizes and directs the execution by the Executive Officers of the Issuer and delivery of such final Official Statement to the Underwriter for use in connection with the public offering of the Bonds.

ARTICLE XIII

APPLICATION OF PROCEEDS

SECTION 13.1. Application of Proceeds. 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, as will enable the Escrow Agent to fully redeem the Refunded Bonds on April 1, 2008. 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.

(b) The Finance Director of the Issuer is hereby authorized and directed to make all necessary transfers from the Sinking Fund and the Reserve Fund necessary to carry out the provisions of the Escrow Agreement.

ARTICLE XIV

REDEMPTION OF REFUNDED BONDS

SECTION 14.1. Call for Redemption. Subject only to the delivery of the Bonds, \$12,180,000 principal amount of the Issuer's Sales Tax Bonds, Series 1998 (Jail), consisting of all of said bonds due April 1, 2009 to April 1, 2018, inclusive, are hereby called for redemption on April 1, 2008 at the principal amount thereof, plus a premium of 2% of the amount redeemed, and accrued

interest to the date of redemption, in compliance with the Bond Resolution adopted on April 23, 1998, authorizing their issuance.

SECTION 14.2. Notice of Defeasance and Call for Redemption. In accordance with the Bond Resolution adopted on April 23, 1998 authorizing the issuance of the 1998 Bonds, a notice of redemption in substantially the form attached hereto as Exhibit E, shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

ARTICLE XV

PROVISIONS RELATING TO THE INSURER

(TO BE INSERTED)

ORDINANCE CALENDAR NUMBER: 3158

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 6TH DAY OF OCTOBER, 2005, AND BECOMES
ORDINANCE COUNCIL SERIES NO. _____.

STEVE STEFANCIK, COUNCIL CHAIRMAN

ATTEST:

DIANE HUESCHEN, COUNCIL CLERK

KEVIN DAVIS, PARISH PRESIDENT

Published introduction: August 25, 2005

Published adoption on: _____, 2005

Delivered to Parish President: _____, 2005 at _____

Returned to Council Clerk: _____, 2005 at _____

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 said Parish Council on October 6, 2005, providing for the issuance of Sales Tax Refunding Bonds, Series 2005 (Jail), of the Parish of St. Tammany, State of Louisiana; prescribing the form, fixing the details and providing for the rights of the owners thereof; providing for the payment of such bonds and the application of the proceeds thereof to the refunding of certain bonds of said Parish; awarding said bonds to the underwriter thereof and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Issuer on this the 6th day of October, 2005.

(SEAL)

Clerk of Council

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

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EXHIBIT A TO BOND ORDINANCE

OUTSTANDING BONDS TO BE REFUNDED

Sales Tax Bonds, Series 1998, dated April 1, 1998, as follows:

<u>DATE</u> <u>(APRIL 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2009	\$950,000	4.65%
2010	1,000,000	4.75
2011	1,055,000	4.85
2012	1,115,000	4.90
2013	1,175,000	5.00
2014	1,235,000	5.00
2015	1,305,000	5.00
2016	1,375,000	5.00
2017	1,445,000	5.00
2018	1,525,000	5.00

The foregoing will be called for redemption on April 1, 2008, at the principal amount thereof and accrued interest to the date fixed for redemption, plus a premium of 2% of the principal amount redeemed.

**EXHIBIT B
TO BOND ORDINANCE**

(FORM OF DEFEASANCE AND ESCROW DEPOSIT AGREEMENT)

This DEFEASANCE AND ESCROW DEPOSIT AGREEMENT, by and between **THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA** (the "Issuer"), appearing herein through the hereinafter named officers, and **JP MORGAN TRUST COMPANY, NA**, in the City of Baton Rouge, Louisiana, a national banking association organized under the laws of the United States of America and duly authorized to exercise corporate trust powers, as escrow agent (the "Escrow Agent"), appearing herein through the hereinafter named officers, which shall be dated as of October 1, 2005:

WITNESSETH:

WHEREAS, the Issuer has heretofore duly authorized and issued its Sales Tax Bonds, Series 1998 (Jail), of which \$14,745,000 are outstanding (the "1998 Bonds"); and

WHEREAS, the governing authority of the Issuer has found and determined that the call for redemption of those 1998 Bonds maturing April 1, 2009 to April 1, 2018, inclusive (the "Refunded Bonds") would be financially advantageous to the Issuer and would result in debt service savings; and

WHEREAS, the Issuer has authorized the issuance of \$_____ of its Sales Tax Refunding Bonds, Series 2005 (Jail) (the "Bonds"), for the purpose of refunding the Refunded Bonds, pursuant to an ordinance adopted by the governing authority of the Issuer on October 6, 2005 (the "Bond Ordinance"), the Refunded Bonds to be redeemed being described in the Bond Ordinance; and

WHEREAS, the Bond Ordinance provides that a portion of the proceeds from the sale of the Bonds (exclusive of accrued interest thereon), together with additional moneys, shall be placed in escrow with the Escrow Agent and, together with the interest earned from the investment thereof, will be sufficient to pay the principal of and interest on the Refunded Bonds as the same mature and become due or are called for redemption;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and in order to provide for the aforesaid refunding and thereby reduce annual debt service on the Refunded Bonds and lower the effective rate of interest paid with respect to the Issuer's general obligation bonds, the parties hereto agree as follows:

SECTION 1. Establishment of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund to be known as "Parish of St. Tammany, State of Louisiana, Sales Tax Refunding Bonds, Series 2005 (Jail) Escrow Fund" (herein called the "Escrow Fund") to be held in trust by the Escrow Agent separate and apart from other funds of the Issuer and the Escrow Agent. Receipt of a true and correct copy of the Bond Ordinance is hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said Bond Ordinance shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if fully set forth herein.

SECTION 2. Deposit to Escrow Fund; Application of Moneys. Concurrently with the issuance and delivery of the Bonds, the Issuer will cause to be deposited with the Escrow Agent the sum of \$_____ from the proceeds of the Bonds (the "Bond Proceeds") and a transfer

of \$ _____ from the existing funds of the Issuer (the "Existing Funds"). Such funds will be applied as follows:

- (i) \$ _____ of Bond Proceeds to the Escrow Fund to purchase the Escrow Obligations (hereinafter defined) described in Schedule A attached hereto;
- (ii) \$ _____ of Existing Funds to the Escrow Fund to purchase the Escrow Obligation (hereinafter defined) described in Schedule A attached hereto;
- (iii) \$ _____ of Existing Funds to the Escrow Fund to establish an initial cash deposit;
- (iv) \$ _____ of Bond Proceeds to the Expense Fund created in Section 3 hereof;
- (v) \$ _____ of Existing Funds to the Expense Fund created in Section 3 hereof; and

(b) Concurrently with such deposit, the Escrow Agent shall apply the moneys described in (i), (ii) and (iii) above to the purchase of the obligations, described in Schedule A attached hereto. The obligations listed in Schedule A hereto and any other direct obligations of the United States Government are hereinafter referred to as the "Escrow Obligations". All documents evidencing the book entries of the Escrow Obligations shall be held by the Escrow Agent and appropriate evidence thereof shall be furnished by the Escrow Agent to the Issuer. As shown in Schedule B attached hereto, the Escrow Obligations shall mature in principal amounts and pay interest in such amounts and at such times so that sufficient moneys will be available from such Escrow Obligations (together with other moneys on deposit in the Escrow Fund) to pay, as the same mature and become due or are redeemed, the principal of, premium, if any, and interest on the Refunded Bonds. The Issuer, on the basis of a mathematical verification of an independent certified public accountant, has heretofore found and determined that the investments described in said Schedule A are adequate in yield and maturity date in order to provide the necessary moneys to accomplish the refunding of the Refunded Bonds.

In the event that, on the date of delivery of the Bonds, there is not delivered to the Escrow Agent any Escrow Obligation described in Schedule A hereto, the Escrow Agent shall accept delivery of cash and/or replacement obligations which are direct, non-callable general obligations of or guaranteed by the United States of America (collectively, "Replacement Obligations") described in paragraph (b) of this Section, in lieu thereof, and shall hold such Replacement Obligations in the Escrow Fund until the Escrow Obligations described in Schedule A which were not delivered on the date of delivery of the Bonds are available for delivery. The Escrow Agent shall return to the supplier thereof any Replacement Obligations in exchange for and upon receipt of the Escrow Obligations set forth in Schedule A for which such Replacement Obligations described in such paragraph (b) were substituted. The Escrow Agent shall have no power or duty to invest any moneys held in the Escrow Fund or to make substitutions of the Escrow Obligations held in the Escrow Fund or to hereafter sell, transfer or otherwise dispose of such Escrow Obligations, except pursuant to the following subparagraph (b).

(c) An obligation shall qualify as a Replacement Obligation or other permitted substitution obligation only if such Replacement Obligations:

(i) are in an amount, and/or mature in an amount (including any interest received thereon), which together with any cash or Government Securities substituted for the Escrow Obligations listed in Schedule A hereto is equal to or greater than the amount payable on the maturity date of the Escrow Obligations listed in Schedule A hereto for which the substitution occurred;

(ii) mature on or before the next date on which the Government Securities listed in Schedule A hereto which are substituted for will be required for payment of principal of, premium, if any, or interest on the Refunded Bonds; and

(iii) the Escrow Agent shall have been provided with (A) a mathematical verification of an independent certified public accountant that the Replacement Obligations are sufficient to pay the principal, interest and premium of the Refunded Bonds as shown on Schedule C and (B) an opinion of nationally recognized bond counsel to the effect that the substitution is permitted hereunder and has no adverse effect on the exclusion from gross income for federal income tax purposes of interest on the bonds or the Refunded Bonds.

To the extent that the Escrow Obligations mature before the payment dates referred to in Schedule C, the Escrow Agent may invest for the benefit of the Issuer such cash in other Escrow Obligations provided that the investment in such other Escrow Obligations mature on or before dates pursuant to Section 6 in such amounts as equal or exceed the Section 6 requirements and that such investment does not cause the Bonds or the Refunded Bonds to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended.

(d) The Escrow Agent shall collect and receive the interest accruing and payable on the Escrow Obligations and the maturing principal amounts of the Escrow Obligations as the same are paid and credit the same to the Escrow Fund, so that the interest on and the principal of the Escrow Obligations, as such are paid, will be available to make the payments required pursuant to Section 6 hereof.

(e) In the event there is a deficiency in the Escrow Fund, the Escrow Agent shall notify the Issuer of such deficiency, and the Issuer shall immediately remedy such deficiency by paying to the Escrow Agent the amount of such deficiency. The Escrow Agent shall not be liable for any such deficiency, except as may be caused by the Escrow Agent's negligence or willful misconduct.

SECTION 3. Establishment of Expense Fund; Use of Moneys in Expense Fund.

There is also hereby created and established with the Escrow Agent a special trust account to pay the Costs of Issuance of the Bonds, as defined in the Bond Ordinance (herein called the "Expense Fund") to be held in the custody of the Escrow Agent separate and apart from any other funds of the Issuer and the Escrow Agent, to which the amount of the proceeds derived from the issuance and sale of the Bonds hereinabove set forth are to be deposited. The amounts on deposit in the Expense Fund shall be used for and applied to the payment of the Costs of Issuance of the Issuer in connection with the issuance, sale and delivery of the Bonds and the establishment of the funds hereunder; and pending such disbursement moneys in the Expense Fund shall be invested by the Escrow Agent as directed by the Issuer. Payment of the aforesaid expenses shall be made by the Escrow Agent from the moneys on deposit in such Expense Fund for the purposes listed in Schedule D hereto upon receipt by the Escrow Agent of either an invoice or statement for the appropriate charges, or a written request of the Issuer signed by an Executive Officer, which request shall state, with respect to each payment to be made, the person, firm or corporation to whom payment is to be made, the amount to be paid and the purpose for which the obligation to be paid was incurred. Each such invoice, statement or written request shall be sufficient evidence to the Escrow Agent that the payment requested to be

made from the moneys on deposit in such Expense Fund is a proper payment to the person named therein in the amount and for the purpose stated therein, and upon receipt of such invoice, statement or written request, and the Escrow Agent shall pay the amount set forth therein as directed by the terms thereof. When all expenses contemplated to be paid from such Expense Fund have been paid, such fund shall be closed and any balance remaining therein shall be withdrawn by the Escrow Agent and applied by the Issuer to the payment of principal of Bonds next falling due.

SECTION 4. Deposit to Escrow Fund Irrevocable. The deposit of the moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys in trust exclusively for the benefit of the owners of the Refunded Bonds and such moneys and Escrow Obligations, together with any income or interest earned thereon, shall be held in escrow and shall be applied solely to the payment of the principal of, premium, if any, and interest on the Refunded Bonds as the same mature and become due or are redeemed. Subject to the requirements set forth herein for the use of the Escrow Fund and the moneys and investments therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and investments therein and the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and investments therein.

SECTION 5. Use of Moneys. The Escrow Agent shall apply the moneys deposited in the Escrow Fund and the Expense Fund and the Escrow Obligations, together with any income or interest earned thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder, or to make substitutions of the Escrow Obligations held hereunder or to sell, transfer or otherwise dispose of the Escrow Obligations acquired hereunder, except as provided in 2(b) above. The liability of the Escrow Agent for the payment of the amounts to be paid hereunder shall be limited to the principal of and interest on the Escrow Obligations and cash available for such purposes in the Escrow Fund and the Expense Fund. Any amounts held as cash in the Escrow Fund, or in the Expense Fund shall be held in cash without any investment thereof, not as a time or demand deposit with any bank, savings and loan or other depository.

SECTION 6. Payment of Refunded Bonds. The Escrow Agent shall receive the matured principal of and the interest on the Escrow Obligations as the same are payable. On or before each interest payment date on the Refunded Bonds, the Escrow Agent shall transmit to the Issuer or the paying agent for the Refunded Bonds in immediately available funds, sufficient amounts for the payment of the interest on the Refunded Bonds due on said date and any principal of and redemption premiums on the Refunded Bonds due on said date by reason of the redemption of Refunded Bonds, in accordance with Schedule C attached hereto.

SECTION 7. Notice of Defeasance and Call for Redemption. The Issuer shall cause a Notice of Defeasance and Call for Redemption of the Refunded Bonds to be sent by the paying agent for the Refunded Bonds, by first class mail, postage prepaid, not less than thirty (30) days prior to the date of redemption of the Refunded Bonds to the registered owners as the same appear on the registration books maintained by the paying agent. The Issuer will reimburse the Escrow Agent for any expenses incurred in connection with this Section from moneys other than those in the Escrow Fund.

SECTION 8. Remaining Moneys in Escrow Fund. Upon the retirement of the Refunded Bonds, any amounts remaining in the Escrow Fund shall be paid to the Issuer as its property free and clear of the trust created by the Bond Ordinance and this Agreement and shall be transferred to the Issuer.

SECTION 9. Rights of Owners of Refunded Bonds. The escrow trust fund created hereby shall be irrevocable and the owners of the Refunded Bonds shall have a beneficial interest and

a first, prior and paramount claim on all moneys and Escrow Obligations in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

SECTION 10. Fees of Escrow Agent. In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer has paid to the Escrow Agent its reasonable fees and expenses, and the Escrow Agent hereby acknowledges (i) receipt of such payment and (ii) that it shall have no lien whatsoever upon any moneys in the Escrow Fund. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section 10.

The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys and securities deposited therein, the purchase of those Escrow Obligations listed in Schedule A, the retention of the Escrow Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any act, omission or error of the Escrow Agent made in good faith and without negligence in the conduct of its duties.

SECTION 11. Enforcement. The Issuer, the paying agent for the Refunded Bonds and the owners of the Refunded Bonds shall have the right to take all actions available under law or equity to enforce this Agreement or the terms hereof.

SECTION 12. Records and Reports. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrow Obligations deposited to the Escrow Fund and all proceeds thereof. With respect to each investment of the proceeds of Escrow Obligations, the Escrow Agent shall record, to the extent applicable, the purchase price of such investment, its fair market value, its coupon rate, its yield to maturity, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Bonds and the Refunded Bonds.

SECTION 13. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of escrow agent hereunder. In such event the Issuer, by appropriate order, and with the prior written consent of the Issuer, shall promptly appoint an escrow agent to fill such vacancy.

Any successor escrow agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor escrow agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor escrow agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor escrow agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor escrow agent a proportional part of the Escrow Agent's fee hereunder.

The Escrow Agent may be removed at any time by an instrument or concurrent instrument in writing delivered to the Escrow Agent by the Issuer.

SECTION 14. Amendments. This Agreement may be amended with the consent of the Issuer and the Escrow Agent (i) to correct ambiguities, (ii) to strengthen any provision hereof which is for the benefit of the owners of the Refunded Bonds or the Bonds or (iii) to sever any provision hereof which is deemed to be illegal or unenforceable; and provided further that this Agreement shall not be amended unless the Issuer shall deliver an opinion of nationally recognized bond counsel, that such amendments will not cause the Refunded Bonds to be "arbitrage bonds". A copy of any amendment shall be provided to the Insurer and any rating agencies which have rated the Bonds.

SECTION 15. Successors Bound. All covenants, promises and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer, the Escrow Agent and the owners of the Refunded Bonds, whether so expressed or not.

SECTION 16. Louisiana Law Governing. This Agreement shall be governed by the applicable laws of the State of Louisiana.

SECTION 17. Termination. This Agreement shall terminate when all of the Refunded Bonds have been paid as aforesaid and any remaining moneys have been paid to the Issuer.

SECTION 18. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 19. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Deposit Agreement as of the day and year first written.

PARISH OF ST. TAMMANY, STATE OF LOUISIANA

By: _____
Parish President

By: _____
Finance Director

ATTEST:

By: _____
Clerk of Council

(SEAL)

JP MORGAN TRUST COMPANY, NA
Baton Rouge, Louisiana

By: _____
Title:

(SEAL)

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

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**SCHEDULE A
To Escrow Deposit Agreement**

**SCHEDULE OF ESCROW SECURITIES
PURCHASED WITH BOND PROCEEDS AND EXISTING FUNDS**

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

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**SCHEDULE B
To Escrow Agreement**

ESCROW CASH FLOW AND PROOF OF SUFFICIENCY

ORDINANCE CALENDAR NUMBER: 3158

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**SCHEDULE C
To Escrow Deposit Agreement**

DEBT SERVICE ON REFUNDED BONDS

SCHEDULE D
To Escrow Deposit Agreement

COSTS OF ISSUANCE

- State Bond Commission Fees
- Bond Counsel Fees
- Bond Counsel Expenses
- Official Statement
- CPA Verification
- Bond Printing
- Paying Agent Fees
- Escrow Agent Fee
- Rating Agency
- Publications
- Miscellaneous

TOTAL

EXHIBIT C TO BOND ORDINANCE

(FORM OF BOND)

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 2005 (JAIL)
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>
_____, 2005	April 1, ____	_____%	_____

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 April 1, 2006, and semiannually thereafter on April 1 and October 1 of each year (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid. The principal of this Bond, upon maturity, is payable in lawful money of the United States of America at the principal office of JP Morgan Trust Company, N.A., 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 payment of principal, premium, if any, 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, premium, and interest, whether by check or by wire transfer.

This Bond is one of an authorized issue aggregating in principal the sum of _____ Dollars (\$ _____) (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 October 6, 2005 (the "Bond Ordinance"), for the purpose of refunding the callable maturities of the Issuer's outstanding Sales Tax Bonds, Series 1998 (Jail), 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 PROVISIONS TO BE INSERTED]

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 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.

This Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's unrefunded Sales Tax Bonds, Series 1998 (Jail), maturing April 1, 2006 to April 1, 2008, inclusive (the "Outstanding Parity Bonds"). It is certified that the Issuer, in issuing this Bond and the issue of which it forms a part, has complied with all the terms and conditions set forth in the resolution authorizing the issuance of the Outstanding Parity Bonds.

This Bond and the issue of which it forms a part, equally with the Outstanding Parity Bonds, is payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special one-fourth of one percent (1/4%) sales and use tax now being levied and collected by the Issuer pursuant to Article VI, Section 29 of the Constitution of the State of Louisiana of 1974, and other constitutional and statutory authority, and in compliance with an election held in the Issuer on January 17, 1998 (the "Tax"), subject only to the prior payment of the reasonable and necessary costs and expenses of collecting and administering the Tax. This Bond constitutes a borrowing solely upon the credit of the Revenues of the Tax received by the Issuer and 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 to continue to levy the Tax for the full period of its authorization and 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 and the issue of which it forms a part have been duly registered with the Secretary of State of Louisiana as provided by law.

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 Issuer, 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 Finance Director, and Clerk of Council of said governing authority, and a facsimile of its corporate seal to be imprinted hereon.

PARISH OF ST. TAMMANY, STATE OF
LOUISIANA

(facsimile)

Clerk of Council

(facsimile)

Parish President

Finance Director

(SEAL)

* * * * *

(FORM OF SECRETARY OF STATE ENDORSEMENT)

OFFICE OF SECRETARY OF STATE
STATE OF LOUISIANA
BATON ROUGE

Incontestable. Secured by a pledge and dedication of proceeds of a sales and use tax in the Parish of St. Tammany, State of Louisiana. Registered this _____ day of _____, 2005.

Secretary of State

* * * * *

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

Page 41 of 50

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

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

JP MORGAN TRUST COMPANY, NA
Baton Rouge, Louisiana
as Paying Agent

Date of
Registration: _____

By: _____
Authorized Officer

* * * * *

(FORM OF ASSIGNMENT)

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

Please Insert Social Security
or other Identifying Number of Assignee

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

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

Dated: _____

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

* * * * *

(FORM OF LEGAL OPINION CERTIFICATE)

I, the undersigned Clerk of Council of the Parish Council of the Parish of St. Tammany, State of Louisiana, do hereby certify that the following is a true copy of the complete legal opinion of Foley & Judell, L.L.P., the original of which was manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and was delivered to Morgan Keegan & Company, Inc., the original purchaser thereof:

(Insert Legal Opinion)

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

(facsimile)

Clerk of Council

* * * * *

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

Page 42 of 50

STATEMENT OF INSURANCE

(TO BE INSERTED)

* * *

**EXHIBIT D
TO BOND ORDINANCE**

BOND PURCHASE AGREEMENT

**§
SALES TAX REFUNDING BONDS, SERIES 2005 (JAIL)**

PARISH OF ST. TAMMANY, STATE OF LOUISIANA

_____, 2005

Hon. Parish Council
Parish of St. Tammany
21490 Koop Drive
Highway 59 Complex
Mandeville, Louisiana 70471

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

This offer is made subject to your acceptance of this agreement on or before 6:00 p.m., New Orleans Time on this date.

1. **Purchase Price.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned Sales Tax Refunding Bonds, Series 2005 (Jail), of the Issuer (the "Bonds"). The purchase price of the Bonds is set forth in Schedule I hereto. Such purchase price shall be paid at the Closing (hereinafter defined) in accordance with paragraph 6 hereof. The Bonds are to be issued by the Issuer under and pursuant to, and are to be secured by an ordinance adopted by the Issuer on October 6, 2005 (the "Bond Ordinance"). The Bonds are issued pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (the "Act"). The Bonds shall mature on the dates and shall bear interest at the fixed rates, all as described in Schedule II attached hereto. A portion of the proceeds of the Bonds will be deposited with JP Morgan Trust Company, NA, Baton Rouge, Louisiana, as Escrow Agent (the "Escrow Agent"), and invested pursuant to a Defeasance and Escrow Deposit Agreement dated as of October 1, 2005, between the Issuer and the Escrow Agent (collectively, the "Escrow Agreement") and applied to the payment of principal of and premium, if any, and interest for the Issuer's outstanding Sales Tax Refunding Bonds, Series 2005 (Jail), which are described in Exhibit A to the Bond Ordinance (the "Refunded Bonds").

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

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

on such representations in making their determination that the Bonds are not "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended.

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

4. **Official Statement.** The Issuer shall deliver to the Underwriter at least one (1) copy of the Official Statement dated the date hereof relating to the Bonds, executed on behalf of the Issuer by its duly authorized officers. The Issuer agrees to amend or supplement the Official Statement on or prior to the Closing whenever requested by the Underwriter when, in the reasonable judgment of the Underwriter and/or Bond Counsel to the Issuer, such amendment or supplementation is required.

You hereby ratify and approve the lawful use of the Preliminary Official Statement, dated _____, 2005 relating to the Bonds (the "Preliminary Official Statement") by the Underwriter prior to the date hereof, and authorize and approve the Official Statement and other pertinent documents referred to in Section 7 hereof to be lawfully used in connection with the offering and sale of the Bonds. The Issuer has previously provided the Underwriter with a copy of its Preliminary Official Statement dated _____, 2005. As of its date, the Preliminary Official Statement has been deemed final by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The Issuer agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

5. **Representations of the Issuer.**

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

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

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

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

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

(f) The Issuer agrees to cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may reasonably request provided however that the Issuer shall not be required to register as a dealer or a broker in any such state or jurisdiction or qualify as a foreign corporation or file any general consents to service of process under the laws of any state. The Issuer consents to the lawful use of the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications. No member of the Issuer, or any officer, employee or agent thereof, shall be individually liable for the breach of any representation or warranty made by the Issuer.

6. **Delivery of, and Payment for, the Bonds.** At 9:30 a.m., New Orleans Time, on or about _____, 2005, or at such other time or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Underwriter, the Bonds, in definitive form as fully registered bonds bearing CUSIP numbers (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) in the denominations of one Bond per maturity date of the Bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), duly executed and registered by JP Morgan Trust Company, NA, Baton Rouge, Louisiana (the "Paying Agent"), together with the other documents hereinafter mentioned and the other moneys required by the Bond Ordinance to be provided by the Issuer to refund the Refunded Bonds. Subject to the conditions contained herein, the Paying Agent shall hold the Bonds as custodian for DTC under its Fast Automated Securities Transfer System ("FAST"). Payment of the purchase price of the Bonds will be made in Federal Funds at the office of the Escrow Agent, for the account of the Issuer.

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

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

(a) At the time of Closing, (i) the Bond Ordinance shall have been adopted and the Escrow Agreement shall have been executed and delivered in the form approved by the Underwriter and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, (ii) the Bonds shall have been approved by resolution of the State Bond Commission, (iii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement and the Bond Ordinance, and (iv) there shall have been duly adopted and there shall be in full force and effect such ordinances as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and

(b) At or prior to the Closing, the Underwriter shall have received each of the following:

(a) the approving opinion of Bond Counsel, dated the date of the Closing, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the law existing on the date of the Closing, in form satisfactory to the Underwriter;

- (b) a supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Issuer, the Escrow Agent and the Underwriter in form satisfactory to the Underwriter;
- (c) certificates of the Issuer dated the date of the Closing, executed by authorized officers in form satisfactory to the Underwriter;
- (d) the Official Statement executed on behalf of the Issuer by the duly authorized officers thereof;
- (e) a specimen of the Bonds;
- (f) certified copies of the Bond Ordinance and all other ordinances of the Issuer and the State Bond Commission relating to the issuance and/or sale of the Bonds, as applicable;
- (g) a certificate of a duly authorized officer of the Issuer, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner required by Bond Counsel, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Bonds and of any other funds of the Issuer expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, the Issuer's expectations are reasonable;
- (h) a certificate of the Paying Agent, as to (a) its corporate capacity to act as such, (b) the incumbency and signatures of authorized officers, and (c) its due registration of the Bonds delivered at the Closing by an authorized officer;
- (i) a letter with respect to the Bonds, dated the date of the Closing, of The Arbitrage Group, Inc., Sugarland, Texas, to the effect that they have verified the accuracy of (a) the mathematical computations of the adequacy of the maturing principal amounts of the obligations to be deposited in the Escrow Fund, together with the interest earned and to be earned thereon and uninvested cash, if any, to be held by the Escrow Agent to pay when due the principal and redemption premium of the Refunded Bonds on the dates and in the amounts provided in the Escrow Agreement, and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated, temporary and proposed, thereunder, or any successor provision to such Section 148; and
- (j) other certificates of the Issuer listed on a Closing Memorandum, including any certificates or representations required in order for Bond Counsel to deliver the opinions referred to in Paragraphs 7(b)(A) and (B) of this Bond Purchase Agreement and such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Issuer with applicable legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations contained herein, and the due performance or satisfaction by them at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each.

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

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

9. Termination. The Underwriter shall have the right to cancel their obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or favorably reported for

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

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

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

(a) The Issuer shall furnish or cause to be furnished to the Underwriter as many copies of the Official Statement as the Underwriter may reasonably request;

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

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

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

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

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

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

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

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

Very truly yours,

MORGAN KEEGAN & COMPANY, INC.

By: _____
Title: _____

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

PARISH COUNCIL OF THE
PARISH OF ST. TAMMANY,
STATE OF LOUISIANA

By: _____
Clerk of Council

(SEAL)

ORDINANCE CALENDAR NUMBER: 3158

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SCHEDULE I
To Bond Purchase Agreement

Purchase Price

Par Amount of Bonds:

Less: Underwriter's Discount (____%)

Plus: Reoffering Premium

PURCHASE PRICE

SCHEDULE II
To Bond Purchase Agreement

MATURITY (APRIL 1)	PRINCIPAL AMOUNT DUE	INTEREST RATE	REOFFERING PRICE
2006			
2007			
2008			
2009			
2010			
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			

EXHIBIT E TO BOND ORDINANCE**NOTICE OF DEFEASANCE AND CALL FOR REDEMPTION**

**SALES TAX BONDS, SERIES 1998 (JAIL)
(MATURING APRIL 1, 2009 TO 2018, INCLUSIVE)
OF THE
PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

NOTICE IS HEREBY GIVEN, pursuant to an ordinance adopted on October 6, 2005 by the Parish Council of the Parish of St. Tammany, State of Louisiana (the "Issuer"), that there has been deposited with **JP Morgan Trust Company, NA**, in the City of Baton Rouge, Louisiana (the "Escrow Agent"), as Escrow Agent under a Defeasance and Escrow Deposit Agreement dated as of October 1, 2005 (the "Escrow Deposit Agreement"), between the Escrow Agent and the Issuer, moneys which have been invested in direct, non-callable obligations of the United States of America, in an amount sufficient to assure the availability of sufficient moneys to pay the principal of and interest on \$12,180,000 of the Issuer's outstanding Sales Tax Bonds, Series 1998 (Jail), consisting of all of the bonds of said issue which mature April 1, 2009 to April 1, 2018, inclusive (the "Refunded Bonds"), as hereinafter set forth.

In accordance with the provisions of Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, the Refunded Bonds are defeased and deemed to be paid, and will no longer be secured by or entitled to the benefits of the resolution of the Issuer providing for their issuance.

NOTICE IS HEREBY FURTHER GIVEN that the Refunded Bonds are called for redemption on April 1, 2008 at the principal amount thereof and accrued interest to the call date, upon presentation and surrender of said bonds at the principal corporate trust office of JP Morgan Trust Company, NA, of Baton Rouge, Louisiana, (as successor to First National Bank of Commerce) the Paying Agent therefor. The Refunded Bonds to be redeemed on April 1, 2008 are listed below, and include all of the bonds of the maturities listed:

<u>MATURITY DATE</u>	<u>AMOUNT REDEEMED</u>	<u>INTEREST RATES</u>	<u>CUSIP NUMBERS</u>
April 1, 2009	\$ 950,000	4.65%	
April 1, 2010	1,000,000	4.75	
April 1, 2011	1,055,000	4.85	
April 1, 2012	1,115,000	4.90	
April 1, 2013	1,175,000	5.00	
April 1, 2014	1,235,000	5.00	
April 1, 2015	1,305,000	5.00	
April 1, 2016	1,375,000	5.00	
April 1, 2017	1,445,000	5.00	
April 1, 2018	<u>1,525,000</u>	5.00	
	\$12,180,000		

No further interest will accrue and be payable on said bonds from and after April 1, 2008. The Refunded Bonds should not be surrendered for payment until April 1, 2008, and at that time should be surrendered at JP Morgan Trust Company, NA (successor to First National Bank of Commerce), as follows:

ORDINANCE CALENDAR NUMBER: 3158

ORDINANCE COUNCIL SERIES NO. _____

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**By Express Mail
or Courier Service**

JP Morgan
Institutional Trust Services
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

By Mail

JP Morgan
Institutional Trust Services
P. O. Box 2320
Dallas, Texas 75221-2320

By Hand

J. P. Morgan
Institutional Trust Services
GIS Unit Trust Window
4 New York Plaza, 1st Floor
New York, New York 10004

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

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

PARISH OF ST. TAMMANY,
STATE OF LOUISIANA

By: _____
Clerk of Council