

**ST. TAMMANY PARISH COUNCIL**

**RESOLUTION**

RESOLUTION COUNCIL SERIES NO. C-1681

COUNCIL SPONSOR STEFANCIK/DAVIS PROVIDED BY BOND COUNSEL

A resolution authorizing the defeasance of all of the outstanding maturities of the (i) Sales Tax Refunding Bonds, Series 2000, (ii) Sales Tax Refunding Bonds, Series 2001 and (iii) Sales Tax Refunding Bonds, Series 2003 of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana, and providing for other matters in connection therewith.

**THE PARISH OF ST. TAMMANY HEREBY RESOLVES THAT:**

SECTION 1. There is hereby authorized and approved the defeasance of the Issuer's currently outstanding (i) Sales Tax Refunding Bonds, Series 2000, presently outstanding in the aggregate principal amount of \$1,295,000 and maturing on December 1, 2006, (ii) Sales Tax Refunding Bonds, Series 2001, presently outstanding in the aggregate principal amount of \$980,000 and maturing on December 1, 2006, and (iii) Sales Tax Refunding Bonds, Series 2003 presently outstanding in the aggregate principal amount of \$2,135,000 and maturing on December 1, 2006.

SECTION 2. The Defeasance and Escrow Deposit Agreement attached hereto and identified as Exhibit "A" is hereby approved, and the Parish President and the Director of Finance of the Parish of St. Tammany, State of Louisiana (herein sometimes referred to as the "Executive Officers"), are hereby authorized to execute said Agreement for, on behalf of and in the name of the Issuer, such Agreement to be in substantially the form appearing as Exhibit "A" hereto with such completions and additions as are necessary to carry out the intent of this resolution.

SECTION 3. A Notice of Defeasance, in substantially the form appearing as Exhibit "B" hereto shall be sent by the paying agent/registrar for each series of Bonds to the registered owners thereof as the same appear on the registration books of said paying agent/registrar by means of first class mail not less than (30) days prior to the redemption date.

SECTION 4. The Executive Officers are hereby authorized and directed to deposit with Argent Trust, a division of National Independent Trust Company, in the City of Ruston, Louisiana (the "Escrow Agent"), sufficient moneys to purchase the government securities necessary

and provide the necessary initial cash deposit to accomplish the aforesaid defeasance as described in the attached Defeasance and Escrow Deposit Agreement and are further authorized to pay the fees of the Escrow Agent and special bond counsel and to take all other actions necessary to carry out the terms of such agreement and the defeasance provided for thereby.

SECTION 5. A real necessity is found for the employment of special bond counsel in connection with the defeasance of the Bonds, and accordingly Foley & Judell, L.L.P., is employed as special counsel for this purpose. The legal fees of such counsel shall not exceed the maximum hourly fees allowed by the Louisiana Attorney General for professional legal services of bond counsel for local government subdivisions.

SECTION 6. This resolution shall be effective upon adoption.

THIS RESOLUTION HAVING BEEN SUBMITTED TO A VOTE, THE VOTE THEREON WAS AS FOLLOWS:

MOVED FOR ADOPTION BY \_\_\_\_\_, SECONDED BY \_\_\_\_\_:

YEAS:

NAYS:

ABSTAIN:

ABSENT:

THIS RESOLUTION WAS DECLARED ADOPTED ON THE 6<sup>TH</sup> DAY OF APRIL, 2006, AT A REGULAR MEETING OF THE PARISH COUNCIL, A QUORUM OF THE MEMBERS BEING PRESENT.

\_\_\_\_\_  
STEVE STEFANCIK, COUNCIL CHAIRMAN

ATTEST:

\_\_\_\_\_  
DIANE HUESCHEN, COUNCIL CLERK

**EXHIBIT A  
TO DEFEASANCE RESOLUTION**

**ESCROW DEPOSIT AGREEMENT**

This ESCROW DEPOSIT AGREEMENT, by and between SALES TAX DISTRICT NO. THREE OF THE PARISH OF ST. TAMMANY, STATE OF LOUISIANA (the "Issuer"), appearing herein through the hereinafter named officers, and ARGENT TRUST, A DIVISION OF NATIONAL INDEPENDENT TRUST COMPANY, in the City of Ruston, 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 May 1, 2006;

**WITNESSETH:**

WHEREAS, the Issuer has heretofore duly authorized and issued its (i) Sales Tax Refunding Bonds, Series 2000, of which \$1,295,000 is outstanding and matures December 1, 2006, (ii) Sales Tax Refunding Bonds, Series 2001, of which \$980,000 is outstanding and matures December 1, 2006, and (iii) Sales Tax Refunding Bonds, Series 2003, of which \$2,135,000 is outstanding and matures December 1, 2006 (collectively, the "Defeased Bonds"); and

WHEREAS, the governing authority of the Issuer has found and determined that the defeasance of the Defeased Bonds as described above would be advantageous to the Issuer; and

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and in order to provide for the aforesaid defeasance, 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 "Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana, 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.

SECTION 2. Deposit to Escrow Fund; Application of Moneys. The Issuer will cause to be deposited with the Escrow Agent the sum of \$ \_\_\_\_\_. Such sum will be applied exclusively to the purchase of the Government Obligations described in Section A hereto and to provide an initial cash deposit in the Escrow Fund of \$ \_\_\_\_\_.

(a) Concurrently with such deposit, the Escrow Agent shall apply the moneys described above to the purchase of the obligations described in Schedule A attached hereto and the establishment of the initial cash deposit described above. The obligation 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 A 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 Defeased Bonds. The Issuer 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 defeasance of the Defeased Bonds.

(b) 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.

(c) 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. 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 Defeased 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. 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 4. Use of Moneys. The Escrow Agent shall apply the moneys deposited in the Escrow 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. 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. 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 5. Payment of Defeased 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 Defeased Bonds, the Escrow Agent shall transmit to the respective paying agents for the Defeased Bonds in immediately available funds, sufficient amounts for the payment of the interest on the Defeased Bonds due on said date and any principal due on said date by reason of maturity of the Defeased Bonds, in accordance with Schedule A attached hereto.

SECTION 6. Notice of Defeasance. The Issuer shall cause a Notice of Defeasance to be sent by the paying agent/registrar for each series of Defeased Bonds by first class mail immediately upon the defeasance of the Defeased Bonds to the registered owners as the same appear on the registration books maintained by the paying agent/registrar.

SECTION 7. Remaining Moneys in Escrow Fund. Upon the retirement of the Defeased 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 this Agreement and shall be transferred to the Issuer.

SECTION 8. Rights of Owners of Defeased Bonds. The escrow trust fund created hereby shall be irrevocable and the owners of the Defeased 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 9. 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 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 9.

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 10. Enforcement. The Issuer, the paying agent/registrar for each series of the Defeased Bonds and the owners of each series of the Defeased Bonds shall have the right to take all actions available under law or equity to enforce this Agreement or the terms hereof.

SECTION 11. 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 Defeased Bonds.

SECTION 12. 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, 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 13. 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 Defeased 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".

SECTION 14. 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 each series of the Defeased Bonds, whether so expressed or not.

SECTION 15. Louisiana Law Governing. This Agreement shall be governed by the applicable laws of the State of Louisiana.

SECTION 16. Termination. This Agreement shall terminate when all of the Defeased Bonds have been paid as aforesaid and any remaining moneys have been paid to the Issuer.

SECTION 17. 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 18. 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 Agreement as of the day and year first written.

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

ATTEST:

By: \_\_\_\_\_  
Parish President, Parish of St. Tammany

By: \_\_\_\_\_  
Director of Finance  
Parish of St. Tammany

(SEAL)

ARGENT TRUST, A DIVISION OF NATIONAL  
INDEPENDENT TRUST COMPANY, as Escrow Agent  
Ruston, Louisiana

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

(SEAL)

**SCHEDULE A**  
**To Escrow Deposit Agreement**

**GOVERNMENT OBLIGATIONS  
AND ESCROW FUND CASH FLOW**

**EXHIBIT B  
TO DEFEASANCE RESOLUTION**

**NOTICE OF DEFEASANCE**

**SALES TAX REFUNDING BONDS, SERIES 2000**

**SALES TAX REFUNDING BONDS, SERIES 2001**

**SALES TAX REFUNDING BONDS, SERIES 2003**

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

**NOTICE IS HEREBY GIVEN** pursuant to a resolution adopted on April 6, 2006, by the Parish Council of the Parish of St. Tammany, State of Louisiana, acting as the governing authority of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana (the "Issuer"), that there has been deposited with **ARGENT TRUST, A DIVISION OF NATIONAL INDEPENDENT TRUST COMPANY**, in the City of Ruston, Louisiana (the "Escrow Agent"), as Escrow Agent under a Defeasance and Escrow Deposit Agreement dated as of May 1, 2006 (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 funds to pay the principal of and interest on the following Bonds through maturity on December 1, 2006: (i) Sales Tax Refunding Bonds, Series 2000, presently outstanding in the aggregate principal amount of \$1,295,000, (ii) Sales Tax Refunding Bonds, Series 2001, presently outstanding in the aggregate principal amount of \$980,000, and (iii) Sales Tax Refunding Bonds, Series 2003 presently outstanding in the aggregate principal amount of \$2,135,000 (the "Defeased Bonds").

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

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

By: \_\_\_\_\_  
Title: Director of Finance

Dated: April 6, 2006