

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO. 3264 ORDINANCE COUNCIL SERIES NO. _____

COUNCIL SPONSOR Stefancik/Davis PROVIDED BY Bond Counsel

INTRODUCED BY MR. BILLIOT SECONDED BY: MR. GOULD

ON THE 6TH DAY OF APRIL, 2006

An ordinance providing for the sale of Fifty Million Dollars (\$50,000,000) of Sales Tax Bonds, Series 2006 of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana, prescribing the form, terms and conditions of such bonds and providing for the payment thereof; authorizing an agreement with the paying agent; and providing for other matters in connection therewith.

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

PROPOSITION
(November 4, 1986)

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

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

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

PROPOSITION
(July 16, 2005)

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

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

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

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

WHEREAS, in accordance with the provisions of the Tax Ordinance, the net avails or proceeds of the aforesaid Tax, after the reasonable and necessary costs and expenses of the collection and administration thereof have been paid therefrom (the "Net Revenues of the Tax") shall be available for appropriation and expenditure by the Issuer for the purposes designated in the

propositions authorizing the levy of the aforesaid Tax, which includes the payment of bonds authorized to be issued in accordance with Louisiana law; and

WHEREAS, the Issuer has no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the Net Revenues of the Tax herein pledged, other than bonds which have been legally defeased under the terms of the ordinances authorizing the issuance thereof; and

WHEREAS, it is now the desire of this Parish Council to issue \$50,000,000 of Sales Tax Bonds, Series 2006 (the "Bonds"), secured by and payable from the Net Revenues of the Tax, for the purposes of constructing, acquiring, extending and/or improving (i) roads, streets and bridges and/or (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities; and

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

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the Bonds, and to provide for the authorization and issuance thereof, as hereinafter provided, said Bonds having been advertised for sale by virtue of a Bond Ordinance adopted by this governing authority on April 6, 2006;

THE PARISH OF ST. TAMMANY HEREBY RESOLVES THAT:

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

"Act" means Sub-Part F, Part III, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

"Additional Parity Bonds" shall mean any additional *pari passu* bonds which may hereafter be issued pursuant to Section 16 hereof on a parity with the Bonds.

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

"Bond" or "Bonds" means the Sales Tax Bonds, Series 2006, of the Issuer issued by this Bond Ordinance in the total aggregate principal amount of Fifty Million Dollars (\$50,000,000), and any bond of said issue, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued.

"Bond Ordinance" means this ordinance authorizing the issuance of the Bonds.

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

"Bond Year" means the one year period ending on June 1 of each year, the principal payment date for the Bonds.

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

"Code" means the Internal Revenue Code of 1986, as amended.

"Executive Officers" means 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" means the twelve-month accounting period commencing on the first day of January or any other twelve-month accounting period determined by the Governing Authority as the fiscal year of the Issuer.

"Governing Authority" means the Parish Council of the Parish of St. Tammany, State of Louisiana.

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

"Insurer" means, with respect to the Bonds, CIFG Assurance North America, Inc., of New York, New York, or any successor thereto or assignee thereof.

"Interest Payment Date" means June 1 and December 1 of each year, commencing December 1, 2006.

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

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

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

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

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for whose payment or redemption sufficient funds have been theretofore deposited with the Paying Agent in trust for the Owners of such Bonds as provided in Section 23 provided that, if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent, or waived;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Bond Ordinance; and
- (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Bond Ordinance.

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

"Parish" means the Parish of St. Tammany, State of Louisiana.

"Paying Agent" means Argent Trust, a division of National Independent Trust Company, in the City of Ruston, Louisiana, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Bond Ordinance, and thereafter Paying Agent shall mean such successor Paying Agent.

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

"Purchaser" means _____, of _____, the original purchaser of the Bonds.

"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 (A) below:

- (A) Government Securities, including obligations of any of the Federal agencies set forth in clause (B) 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 (A) such as those securities commonly known as CATS, TIGRS and/or STRIPS;
- (B) 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;
- (C) 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) which is a member of the Federal Deposit Insurance Corporation and which are secured at all times by collateral described in clause (A) above;
- (D) 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) which are fully insured by the Federal Deposit Insurance Corporation; and
- (E) the Louisiana Asset Management Pool (LAMP).

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

"Reserve Fund Alternative Investment" means a surety bond or insurance policy issued by an insurance company or an irrevocable letter of credit issued by a bank meeting the requirements of Section 10 hereof.

"Reserve Fund Requirement" means, as of any date of calculation, a sum equal to the lesser of (i) 10% of the original proceeds of the Bonds, and any issue of additional pari passu bonds payable from the Net Revenues of the Tax, calculated in accordance with applicable Internal Revenue Service regulations, (ii) the maximum principal and interest requirements for any succeeding Bond Year

(beginning June 1) on the Bonds and any issue of *pari passu* bonds payable from the Net Revenues of the Tax, or (iii) 125% of the average annual principal and interest requirements on the Bonds and any issue of *pari passu* bonds payable from the Net Revenue of the Tax, subject in each case to the payment of the reasonable costs and expenses of collecting and administering the Tax; provided, however, that the Reserve Fund Requirement may be satisfied by cash or Reserve Fund Alternative Investment, or a combination of the foregoing.

"Reserve Insurer" means, with respect to the Bonds, CIFG Assurance North America, Inc., New York, New York, or any successor thereto.

"Reserve Policy" shall mean the Debt Service Reserve Policy, and any endorsement thereto, issued by the Reserve Insurer, under which claims may be made in order to provide moneys in the Reserve Fund available for the purposes thereof.

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

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

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, and other constitutional and statutory authority, and having been authorized at elections held within the corporate boundaries of the District on November 4, 1986 and July 16, 2005, there is hereby authorized the incurring of an indebtedness of Fifty Million Dollars (\$50,000,000) for, on behalf of and in the name of the Issuer, for the purposes of constructing, acquiring, extending and/or improving (i) roads, streets and bridges and/or (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities, and to represent the said indebtedness, the Issuer does hereby authorize the issuance of Fifty Million Dollars (\$50,000,000) of its Sales Tax Bonds, Series 2006. The Bonds shall be in fully registered form, shall be dated June 1, 2006, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall bear interest from date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on December 1, 2006, and semiannually thereafter on June 1 and December 1 of each year, at the following rates of interest per annum, and shall become due and payable and mature serially on June 1 of each year as follows:

<u>YEAR</u>	<u>PRINCIPAL MATURING</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>PRINCIPAL MATURING</u>	<u>INTEREST RATE</u>
2007	\$1,005,000		2020	\$1,970,000	
2008	1,060,000		2021	2,070,000	
2009	1,115,000		2022	2,180,000	
2010	1,175,000		2023	2,295,000	
2011	1,235,000		2024	2,420,000	
2012	1,305,000		2025	2,545,000	
2013	1,370,000		2026	2,680,000	
2014	1,445,000		2027	2,820,000	
2015	1,520,000		2028	2,970,000	
2016	1,600,000		2029	3,130,000	
2017	1,685,000		2030	3,295,000	
2018	1,775,000		2031	3,465,000	
2019	1,870,000				

The principal of the Bonds, upon maturity or redemption, shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds will be payable by check mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Bond Ordinance upon transfer or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Bond Ordinance, executed by the Paying Agent by manual signature.

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 and the Reserve Fund Policy shall be paid from the proceeds of the Bonds. The Issuer does hereby further find that substantial benefits will occur by satisfying the Reserve Fund Requirement with respect to the Bonds through the purchase of the Reserve Policy.

SECTION 3. Redemption of Bonds. The Bonds maturing June 1, 2017, and thereafter, will be callable for redemption by the Issuer in full or in part at any time on or after June 1, 2016, and if less than a full maturity, then by lot within such maturity, at the principal amount thereof and accrued interest to the date fixed for redemption, plus a premium (expressed as a percentage of the principal to be redeemed), as follows:

<u>Redemption Period (both dates inclusive)</u>	<u>Redemption Premium</u>
June 1, 2016 to May 31, 2017	1%
June 1, 2017 to May 31, 2018	1/2%
June 1, 2018 and thereafter	0%

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered

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

SECTION 4. Registration, Transfer and Exchange of Bonds. The Issuer shall cause the Bond Register to be kept at the principal office of the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of mailing of a notice of redemption of such Bond and ending on the date of such redemption.

SECTION 5. Form of Bonds. The Bonds and the endorsements to appear thereon shall be in substantially the following forms, respectively, to-wit:

* * * * *

NO. R- _____

PRINCIPAL AMOUNT \$ _____

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

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

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

**SALES TAX BOND, SERIES 2006
OF
SALES TAX DISTRICT NO. THREE OF THE
PARISH OF ST. TAMMANY, STATE OF LOUISIANA**

<u>Bond Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
June 1, 2006	June 1, ____	____%	_____

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

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

PRINCIPAL AMOUNT: _____ DOLLARS

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on December 1, 2006, and semiannually thereafter on June 1 and December 1 of each year (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity, is payable in lawful money of the United States of America at the principal office of Argent Trust, a division of National Independent Trust Company, in the City of Ruston, 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 Fifty Million Dollars (\$50,000,000) (the "Bonds"), all of like tenor and effect except as to number, interest rate, denomination and maturity, said Bonds having been issued by the Issuer pursuant to an ordinance adopted on May 4, 2006 (the "Bond Ordinance"), for the purposes of constructing, acquiring, extending and/or improving (i) roads, streets and bridges and/or (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities, and paying costs of issuance of the Bonds, under the authority conferred by Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements therein specified.

Bonds of this issue maturing June 1, 2017 and thereafter, will be callable for redemption by the Issuer in full or in part at any time on or after June 1, 2016, and if less than a full maturity, then by lot within such maturity, at the principal amount thereof and accrued interest to the date fixed for redemption, plus a premium (expressed as a percentage of the principal to be redeemed), as follows:

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Premium</u>
June 1, 2016 to May 31, 2017	1%
June 1, 2017 to May 31, 2018	½%
June 1, 2018 and thereafter	0%

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

The Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the

denomination of \$5,000 or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on the 15th calendar day of the month next preceding an Interest Payment Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bonds and ending on the date of such redemption.

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

This Bond 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.

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

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

(facsimile)
Clerk of Council

(facsimile)
Parish President

(facsimile)
Finance Director

(SEAL)

* * * * *

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 Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana. Registered this _____ day of _____, 2006.

Secretary of State

* * * * *

PAYING AGENT'S CERTIFICATE OF REGISTRATION

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

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

Date of
Registration: _____, 2006

By: _____
Authorized Officer

* * * * *

SECTION 33. 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 34. Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 35. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 36. Effective Date. This Bond Ordinance shall become effective immediately.

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 4TH DAY OF MAY, 2006, AND BECOMES ORDINANCE COUNCIL SERIES NO. _____.

STEVE STEFANCIK, COUNCIL CHAIRMAN

ATTEST:

DIANE HUESCHEN, COUNCIL CLERK

KEVIN DAVIS, PARISH PRESIDENT

Published introduction: March 30, 2006

Published adoption on: _____, 2006

Delivered to Parish President: _____, 2006 at _____

Returned to Council Clerk: _____, 2006 at _____

ORDINANCE CALENDAR NUMBER: 3264

ORDINANCE COUNCIL SERIES NO. _____

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STATE OF LOUISIANA

PARISH OF ST. TAMMANY

I, the undersigned Clerk of Council of the Parish Council of the Parish of St. Tammany, State of Louisiana, do hereby certify that the foregoing _____ () pages constitute a true and correct copy of an ordinance adopted by the Parish Council on May 4, 2006, authorizing the issuance of Fifty Million Dollars (\$50,000,000) of Sales Tax Bonds, Series 2006, of Sales Tax District No. Three of the Parish of St. Tammany, State of Louisiana; prescribing the form, terms and conditions of such Bonds and providing for the payment thereof; authorizing an agreement with the Paying Agent; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the District at Mandeville, Louisiana, on this, the 4th day of May, 2006.

(SEAL)

Clerk of Council