

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO. 3417 ORDINANCE COUNCIL SERIES NO. _____

COUNCIL SPONSOR MR. STEFANCIK PROVIDED BY BOND COUNSEL

INTRODUCED BY MR. CANULETTE SECONDED BY MR. BURKHALTER

ON THE 5TH DAY OF OCTOBER 2006

An ordinance providing for the issuance of _____* Dollars (\$ _____*) of Sales Tax Refunding Bonds, Series 2006 (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 \$13,935,000 of Sales Tax Bonds, Series 1998, maturing serially on April 1 of the years 2007 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 September 28, 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 equal to the Louisiana State Bond Commission's guidelines for minimum savings from refundings; 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 2006 (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 \$1,755,000 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 2006 (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.

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9. The Insurer shall be entitled to pay any amount payable under the Policy in respect of Regular Payments (as defined in the Policy) on the Bonds, including any amount payable upon its election on the Bonds on an accelerated basis, whether or not any notice and certificate shall have been Received (as defined in the Policy) by the Insurer as provided in the Policy.

MOVED FOR ADOPTION BY: _____ SECONDED BY: _____

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

YEAS:

NAYS:

ABSTAIN: _____

ABSENT:

THIS ORDINANCE WAS DECLARED ADOPTED AT A REGULAR MEETING OF THE PARISH COUNCIL ON THE _____ DAY OF _____, 2006, AND BECOMES ORDINANCE COUNCIL SERIES NO. _____.

STEVE STEFANCIK, COUNCIL CHAIRMAN

ATTEST:

DIANE HUESCHEN, COUNCIL CLERK

KEVIN DAVIS, PARISH PRESIDENT

Published introduction October 12, 2006

Published adoption on _____, 2006

Delivered to Parish President: _____, 2006 at _____

Returned to Council Clerk: _____, 2006 at _____

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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 **THE BANK OF NEW YORK 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 December 1, 2006:

WITNESSETH:

WHEREAS, the Issuer has heretofore duly authorized and issued its Sales Tax Bonds, Series 1998 (Jail), of which \$13,935,000 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 2006 (Jail) (the "Bonds"), for the purpose of refunding the Refunded Bonds, pursuant to an ordinance adopted by the governing authority of the Issuer on _____, 2006 (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 2006 (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.

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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)

THE BANK OF NEW YORK TRUST COMPANY, NA
Baton Rouge, Louisiana

By: _____
Title:

(SEAL)

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 _____, 2006 by the Parish Council of the Parish of St. Tammany, State of Louisiana (the "Issuer"), that there has been deposited with **The Bank of New York 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 December 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 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 The Bank of New York 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:

MATURITY DATE	AMOUNT REDEEMED	INTEREST RATES	CUSIP NUMBERS
April 1, 2009	\$ 950,000	4.65%	79356 EBG7
April 1, 2010	1,000,000	4.75	79356 EBH5
April 1, 2011	1,055,000	4.85	79356 EBJ1
April 1, 2012	1,115,000	4.90	79356 EBK8
April 1, 2013	1,175,000	5.00	79356 EBL6
April 1, 2014	1,235,000	5.00	79356 EBM4
April 1, 2015	1,305,000	5.00	79356 EBN2
April 1, 2016	1,375,000	5.00	79356 EBP7
April 1, 2017	1,445,000	5.00	79356 EBQ5
April 1, 2018	<u>1,525,000</u>	5.00	79356 EBR3
	\$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 The Bank of New York Trust Company, NA (successor to First National Bank of Commerce), as follows:

ORDINANCE CALENDAR NUMBER: 3417

ORDINANCE COUNCIL SERIES NO. _____

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**By Express Mail
or Courier Service**

The Bank of New York
Institutional Trust Services
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

By Mail

The Bank of New York
Institutional Trust Services
P. O. Box 2320
Dallas, Texas 75221-2320

By Hand

The Bank of New York
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