

1 Introduced April 23, 1996, by Councilwoman
2 Livaudais, seconded by Councilman
3 Callahan (both by request of Administration)
4

5 Item No. 96-04-1854
6

7 **ORDINANCE NO. 2677**
8

9 An ordinance providing for the issuance of Nine Million Three Hundred
10 Thousand Dollars (\$9,300,000) of Public Improvement Sales Tax Bonds, Series 1996, of
11 the City of Slidell, State of Louisiana; prescribing the form, fixing the details and providing
12 for the rights of the owners thereof; providing for the payment of the principal on such
13 bonds; approving the official statement; providing for the employment of special bond
14 counsel; and providing for other matters in connection therewith.
15

16 WHEREAS, the City of Slidell, State of Louisiana (the "Issuer") is now
17 levying and collecting a one percent (1%) sales and use tax (the "Tax") pursuant to an
18 election held within the corporate boundaries of the Issuer on November 27, 1962; and
19

20 WHEREAS, pursuant to the authority of the aforesaid election of November
21 27, 1962, the Slidell City Council, acting as the governing authority of the Issuer (the
22 "Governing Authority"), adopted Ordinance No. 667 on November 28, 1962, levying and
23 collecting the Tax; and
24

25 WHEREAS, the Issuer is authorized to fund the proceeds of the Tax into
26 bonds pursuant to an election held within the corporate boundaries of the Issuer on May
27 3, 1986, at which election the following proposition was approved by a majority of the
28 qualified electors voting at such election, viz:
29

30 PROPOSITION
31

32 "Shall the City of Slidell, State of Louisiana, be authorized to fund into
33 bonds the proceeds of the existing one percent (1%) sales and use tax
34 levied by virtue of an election held on Tuesday, November 27, 1962, for the
35 purpose of constructing, acquiring or improving lands, buildings or other
36 works of public improvement for said City, including equipment and
37 furnishings therefor, title to which shall be in the public, for providing a
38 reserve for said bonds and for paying the costs of issuance therefor, said
39 bonds to mature over a term not exceeding twenty-five (25) years from date
40 thereof, to bear interest at a rate or rates of interest not exceeding twelve
41 per centum (12%) per annum and to be issued in accordance with the
42 provisions and subject to the limitations of Sub-Part F, Part III, Chapter 4,
43 Title 39 of the Louisiana Revised Statutes of 1950 and other constitutional
44 and statutory authority supplemental thereto, and shall the remainder of the
45 avails or proceeds of said tax in an amount up to one-half of the total avails
46 or proceeds of said tax be expended as appropriated by the governing
47 authority of said City with the remainder of the avails or proceeds of said
48 tax, if any, being dedicated and used for constructing, acquiring or
49 improving the above described capital improvements for said City, title to
50 which shall be in the public?
51

52 WHEREAS, other than the 1986 Bonds, the Issuer has no other outstanding
53 indebtedness payable from the net revenues of the Tax, except for its (i) Recreation
54 Bonds of 1980 dated April 17, 1980, issued in the original principal amount of \$1,486,375
55 and currently outstanding in the amount of \$740,375, due on April 17, 1997 to April 17,
56 2005, inclusive, (ii) Public Improvement Sales Tax Bonds, Series 1986, issued in the
57 original principal amount of \$3,800,000, and currently outstanding in the amount of
58 \$95,000, due July 1, 1996, and (iii) Public Improvement Sales Tax Refunding Bonds,
59 Series 1993A, issued in the original principal amount of \$3,555,000, and currently
60 outstanding in the amount of \$3,475,000, due July 1, 1996 to July 1, 2016 (collectively,
61 the "Outstanding Parity Bonds"); and

5 WHEREAS, pursuant to Sub-Part F, Part III, Chapter 4 of Title 39 of the
6 Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory
7 authority, it is now the desire of the Issuer to adopt this Bond Ordinance in order to
8 provide for the issuance of Nine Million Three Hundred Thousand Dollars (\$9,300,000)
9 principal amount of its Public Improvement Sales Tax Bonds, Series 1996 (the "Bonds"),
10 for the purpose of constructing, acquiring or improving lands, buildings or other works of
11 public improvement for the Issuer, including equipment and furnishings therefor, title to
12 which shall be in the public, and paying the costs of issuance, to fix the details of the
13 Bonds and to sell the Bonds to the purchasers thereof; and
14

15 WHEREAS, it is the intention of the Issuer that the Bonds authorized herein
16 be secured by and payable from the net revenues of the Tax on a parity with the
17 Outstanding Parity Bonds; and
18

19 WHEREAS, the maturities of the Bonds have been arranged such that the
20 total amount of principal and interest falling due on the Bonds and the Outstanding Parity
21 Bonds will never exceed 75% of the revenues of the Tax estimated to be received by the
22 Issuer in the calendar year in which the Bonds are to be issued (which revenues are
23 hereby estimated to be at least \$5,200,000); and
24

25 WHEREAS, the Issuer desires to fix the details necessary with respect to
26 the issuance of said Bonds, and to provide for the authorization and issuance thereof as
27 hereinafter provided, said Bonds having been advertised for sale by virtue of a resolution
28 adopted by this Governing Authority on April 23, 1996;
29

30 NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council, acting
31 as the governing authority of the Issuer, that:
32

33 **ARTICLE I**

34 **DEFINITIONS AND INTERPRETATION**

35 SECTION 1.1. Definitions. The following terms shall have the following
36 meanings unless the context otherwise requires:
37

38 "Act" shall mean Sub-Part F, Part III, Chapter 4 of Title 39 of the Louisiana
39 Revised Statutes of 1950, as amended, and other applicable constitutional and statutory
40 authority.
41

42 "Additional Parity Bonds" shall mean any additional *pari passu* bonds which may
43 hereafter be issued pursuant to Section 8.1 hereof on a parity with the Bonds.
44

45 "Agreement" means the agreement to be entered into between the Issuer and the
46 Paying Agent pursuant to this Bond Ordinance.
47

48 "Bond" or "Bonds" shall mean any or all of the Public Improvement Sales Tax
49 Bonds, Series 1996 of the Issuer, issued pursuant to the Bond Ordinance, as the same
50 may be amended from time to time, whether initially delivered or issued in exchange for,
51 upon transfer of, or in lieu of any previously issued Bond.
52

53 "Bond Counsel" shall mean an attorney or firm of attorneys whose experience
54 in matters relating to the issuance of obligations by states and their political subdivisions
55 is nationally recognized.
56

57 "Bond Obligation" shall mean, as of the date of computation, the principal
58 amount of the Bonds then Outstanding.
59
60
61

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5 **"Bond Ordinance"** shall mean this ordinance, as further amended and
6 supplemented as herein provided.
7

8 **"Business Day"** shall mean a day of the year other than a day on which banks
9 located in New York, New York and the cities in which the principal offices of the Escrow
10 Agent and the Paying Agent are located are required or authorized to remain closed and
11 on which the New York Stock Exchange is closed.
12

13 **"Code"** shall mean the Internal Revenue Code of 1986, as amended.
14

15 **"Costs of Issuance"** shall mean all items of expense, directly or indirectly payable
16 or reimbursable and related to the authorization, sale and issuance of the Bonds,
17 including but not limited to printing costs, costs of preparation and reproduction of
18 documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees
19 and charges, fees and charges for the preparation and distribution of a preliminary official
20 statement and official statement, if paid by the Issuer, fees and disbursements of
21 consultants and professionals, costs of credit ratings, fees and charges for preparation,
22 execution, transportation and safekeeping of the Bonds, costs and expenses of refunding,
23 premiums for the insurance of the payment of the Bonds, if any, and any other cost,
24 charge or fee paid or payable by the Issuer in connection with the original issuance of
25 Bonds.
26

27 **"Defeasance Obligations"** shall mean (a) Cash, or (b) Non-callable Government
28 Securities.
29

30 **"Executive Officers"** shall mean collectively the Mayor and the Council
31 Administrator of the Issuer.
32

33 **"Fiscal Year"** shall mean the one-year period commencing on July 1 of each year,
34 or such other one-year period as may be designated by the Governing Authority as the
35 fiscal year of the Issuer.
36

37 **"Governing Authority"** shall mean the Slidell City Council, or its successor in
38 function.
39

40 **"Government Securities"** shall mean direct general obligations of, or obligations
41 the principal of and interest on which are unconditionally guaranteed by, the United States
42 of America, which may be United States Treasury Obligations such as the State and
43 Local Government Series and may be in book-entry form.
44

45 **"Interest Payment Date"** shall mean January 1 and July 1 of each year,
46 commencing January 1, 1997.
47

48 **"Issuer"** shall mean the City of Slidell, State of Louisiana.
49

50 **"Net Revenues of the Tax"** shall mean the avails or proceeds of the Tax received
51 by the Issuer, after provision has been made by the Issuer for the payment therefrom of
52 all of the reasonable and necessary costs and expenses of collecting and administering
53 the Tax.
54

55 **"Outstanding"**, when used with reference to the Bonds, shall mean, as of any
56 date, all Bonds theretofore issued under the Bond Ordinance, except:
57

58 (A) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying
59 Agent for cancellation;
60
61

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5 (B) Bonds for the payment or redemption of which sufficient Defeasance
6 Obligations have been deposited with the Paying Agent in trust for the Owners of
7 such Bonds with the effect specified in this Bond Ordinance, provided that if such
8 Bonds are to be redeemed, irrevocable notice of such redemption has been duly
9 given or provided for pursuant to the Bond Ordinance, to the satisfaction of the
10 Paying Agent, or waived;

11
12 (C) Bonds in exchange for or *in lieu* of which other Bonds have been registered
13 and delivered pursuant to the Bond Ordinance; and

14
15 (D) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have
16 been paid as provided in the Bond Ordinance or by law.
17

18 **"Outstanding Parity Bonds"** shall mean the Issuer's outstanding (i) \$740,375 of
19 Recreational Bonds of 1980, maturing April 17, 1997 to April 17, 2005, inclusive, (ii)
20 \$95,000 of Public Improvement Sales Tax Bonds, Series 1986, maturing July 1, 1996,
21 and (iii) \$3,475,000 of Public Improvement Sales Tax Refunding Bonds, Series 1993A,
22 maturing July 1, 1996 to July 1, 2011, inclusive.
23

24 **"Owner"** shall mean the Person reflected as registered owner of any of the Bonds
25 on the registration books maintained by the Paying Agent.
26

27 **"Paying Agent"** shall mean First National Bank of Commerce, in the City of New
28 Orleans, Louisiana, as paying agent and registrar hereunder, until a successor Paying
29 Agent shall have become such pursuant to the applicable provisions of the Bond
30 Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.
31

32 **"Person"** shall mean any individual, corporation, partnership, joint venture,
33 association, joint-stock company, trust, unincorporated organization, or government or any
34 agency or political subdivision thereof.
35

36 **"Record Date"** shall mean, with respect to an Interest Payment Date, the fifteenth
37 day of the calendar month next preceding such Interest Payment Date, whether or not
38 such day is a Business Day.
39

40 **"Redemption Price"** shall mean, when used with respect to a Bond, the principal
41 amount thereof plus the applicable premium, if any, payable upon redemption thereof
42 pursuant to this Bond Ordinance.
43

44 **"Reserve Fund Requirement"** shall mean the highest combined principal and
45 interest requirements in any succeeding Fiscal Year on the Bonds, the Outstanding Parity
46 Bonds and any Additional Parity Bonds.
47

48 **"Sales Tax Ordinance"** means Ordinance No. 667 adopted by the Governing
49 Authority of the Issuer on November 28, 1962, as amended from time to time, which
50 originally levied and imposed the Tax.
51

52 **"State"** shall mean the State of Louisiana.
53

54 **"Tax"** means the 1% sales and use tax now being levied and collected by the
55 Issuer pursuant to elections held on November 27, 1962 and May 3, 1986, and the Sales
56 Tax Ordinance.
57

58 SECTION 1.2. Interpretation. In this Bond Ordinance, unless the context
59 otherwise requires, (a) words importing the singular include the plural and vice versa, (b)
60 words of the masculine gender shall be deemed and construed to include correlative
61

5 words of the feminine and neuter genders and (c) the title of the offices used in this Bond
6 Ordinance shall be deemed to include any other title by which such office shall be known
7 under any subsequently adopted charter.
8

9 **ARTICLE II**

10 **AUTHORIZATION AND ISSUANCE OF BONDS**

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13 SECTION 2.1. Authorization of Bonds. (a) This Bond Ordinance creates
14 a series of Bonds of the Issuer to be designated "Public Improvement Sales Tax Bonds,
15 Series 1996, of the City of Slidell, State of Louisiana" and provides for the full and final
16 payment of the principal or redemption price of and interest on all of the Bonds.
17

18 (b) The Bonds issued under this Bond Ordinance shall be issued for the
19 purpose of constructing, acquiring or improving lands, buildings or other works of public
20 improvement for said City, including equipment and furnishings therefor, title to which
21 shall be in the public, and for the purpose of paying the Costs of Issuance.
22

23 SECTION 2.2. Bond Ordinance to Constitute Contract. In consideration of
24 the purchase and acceptance of the Bonds by those who shall own the same from time
25 to time, the provisions of this Bond Ordinance shall be a part of the contract of the Issuer
26 with the Owners of the Bonds and shall be deemed to be and shall constitute a contract
27 between the Issuer and the Owners from time to time of the Bonds. The provisions,
28 covenants and agreements herein set forth to be performed by or on behalf of the Issuer
29 shall be for the equal benefit, protection and security of the Owners of any and all of the
30 Bonds, each of which Bonds, regardless of the time or times of its issue or maturity, shall
31 be of equal rank without preference, priority or distinction over any other thereof except
32 as expressly provided in this Bond Ordinance.
33

34 SECTION 2.3. Obligation of Bonds. The Bonds shall be secured by and
35 payable in principal, premium, if any, and interest solely from an irrevocable pledge and
36 dedication of the Net Revenues of the Tax. The Net Revenues of the Tax are hereby
37 irrevocably and irrevocably pledged and dedicated in an amount sufficient for the
38 payment of the Bonds in principal, premium, if any, and interest as they shall respectively
39 become due and payable, and for the other purposes hereinafter set forth in this Bond
40 Ordinance. All of the Net Revenues of the Tax shall be set aside in a separate fund, as
41 hereinafter provided, and shall be and remain pledged for the security and payment of
42 the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds issued pursuant
43 to Section 8.1 hereof, in principal, premium, if any, and interest and for all other payments
44 provided for in this Bond Ordinance until such bonds shall have been fully paid and
45 discharged.
46

47 SECTION 2.4. Parity with Outstanding Bonds. The Bonds shall be issued
48 on a parity with the Outstanding Parity Bonds, and the Bonds shall rank equally with and
49 shall enjoy complete parity of lien with the Outstanding Parity Bonds on all of the avails
50 or proceeds of the Tax or other funds specially applicable to the payment of said bonds,
51 including funds established by the ordinances authorizing the issuance of the Outstanding
52 Parity Bonds (the "Parity Bond Ordinances").
53

54 This Governing Authority does hereby find, determine and declare that the
55 Issuer has complied, or will comply prior to the delivery of the Bonds, with all of the terms
56 and conditions set forth in the Parity Bond Ordinances, with respect to authorizing the
57 issuance of the Bonds on a parity with the Outstanding Parity Bonds.
58

59 SECTION 2.5. Authorization and Designation. Pursuant to the provisions
60 of the Act, there is hereby authorized the issuance of Nine Million Three Hundred
61 Thousand Dollars (\$9,300,000) principal amount of Bonds of the Issuer to be designated

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5 "Public Improvement Sales Tax Bonds, Series 1996 of the City of Slidell, State of
6 Louisiana," for the purpose of constructing, acquiring or improving lands, buildings or
7 other works of public improvement for the Issuer, including equipment and furnishings
8 therefor, title to which shall be in the public, and paying the Costs of Issuance. The Bonds
9 shall be in substantially the form set forth in Exhibit A hereto, with such necessary or
10 appropriate variations, omissions and insertions as are required or permitted by the Act
11 and this Bond Ordinance.
12

13 SECTION 2.6. Denominations, Dates, Maturities and Interest. The Bonds
14 are issuable as fully registered bonds without coupons in the denominations of \$5,000
15 principal amount or any integral multiple thereof within a single maturity, and shall be
16 numbered consecutively from No. R-1 upwards.
17

18 The Bonds shall be dated July 1, 1996, shall mature on July 1 in the years
19 and in the principal amounts and shall bear interest, payable on the Interest Payment
20 Dates, at the rates per annum, as follows:
21

DATE (JULY 1)	PRINCIPAL PAYMENT	INTEREST RATE	DATE (JULY 1)	PRINCIPAL PAYMENT	INTEREST RATE
1997	\$135,000	10.000%	2007	\$460,000	5.100%
1998	280,000	10.000	2008	485,000	5.200
1999	295,000	10.000	2009	515,000	5.300
2000	310,000	9.000	2010	545,000	5.375
2001	330,000	8.000	2011	575,000	5.375
2002	350,000	7.875	2012	610,000	5.375
2003	370,000	7.000	2013	645,000	5.375
2004	390,000	6.000	2014	680,000	5.375
2005	410,000	5.000	2015	720,000	5.375
2006	435,000	5.000	2016	760,000	5.375

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35 SECTION 2.7. Payment of Principal and Interest. The principal and
36 premium, if any, of the Bonds are payable in such coin or currency of the United States
37 of America as at the time of payment is legal tender for payment of public and private
38 debts at the principal corporate trust office of the Paying Agent, upon presentation and
39 surrender thereof. Interest on the Bonds is payable by check mailed on or before the
40 Interest Payment Date by the Paying Agent to each Owner (determined as of the close
41 of business on the applicable Record Date) at the address of such Owner as it appears
42 on the registration books of the Paying Agent maintained for such purpose.
43

44 Except as otherwise provided in this Section, Bonds shall bear interest from
45 date thereof or from the most recent Interest Payment Date to which interest has been
46 paid or duly provided for, as the case may be, provided, however, that if and to the extent
47 that the Issuer shall default in the payment of the interest on any Bonds due on any
48 Interest Payment Date, then all such Bonds shall bear interest from the most recent
49 Interest Payment Date to which interest has been paid on the Bonds, or if no interest has
50 been paid on the Bonds, from their dated date. The Person in whose name any Bond
51 is registered at the close of business on the Record Date with respect to an Interest
52 Payment Date shall in all cases be entitled to receive the interest payable on such
53 Interest Payment Date (unless such Bond has been called for redemption on a
54 redemption date which is prior to such Interest Payment Date) notwithstanding the
55 cancellation of such Bond upon any registration of transfer or exchange thereof
56 subsequent to such Record Date and prior to such Interest Payment Date.
57

5 **ARTICLE III**
6

7 **GENERAL TERMS AND PROVISIONS OF THE BONDS**
8

9 SECTION 3.1. Exchange of Bonds; Persons Treated as Owners. The
10 Issuer shall cause books for the registration and for the registration of transfer of the
11 Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal
12 corporate trust office, and the Paying Agent is hereby constituted and appointed the
13 registrar for the Bonds. At reasonable times and under reasonable regulations
14 established by the Paying Agent said list may be inspected and copied by the Issuer, or
15 by the Owners (or a designated representative thereof) of 15% of the outstanding
16 principal amount of the Bonds. Upon surrender for registration of transfer of any Bond,
17 the Paying Agent shall register and deliver in the name of the transferee or transferees
18 one or more new fully registered Bonds of authorized denomination of the same maturity
19 and like aggregate principal amount. At the option of the Owner, Bonds may be
20 exchanged for other Bonds of authorized denominations of the same maturity and like
21 aggregate principal amount, upon surrender of the Bonds to be exchanged at the principal
22 corporate trust office of the Paying Agent. Whenever any Bonds are so surrendered for
23 exchange, the Paying Agent shall register and deliver in exchange therefor the Bond or
24 Bonds which the Owner making the exchange shall be entitled to receive. All Bonds
25 presented for registration of transfer or exchange shall be accompanied by a written
26 instrument or instruments of transfer in form and with a guaranty of signature satisfactory
27 to the Paying Agent, duly executed by the Owner or his attorney duly authorized in
28 writing.
29

30 All Bonds delivered upon any registration of transfer or exchange of Bonds
31 shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same
32 benefits under this Bond Ordinance as the Bonds surrendered. Prior to due presentment
33 for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent
34 of the Issuer or the Paying Agent may deem and treat the person in whose name any
35 Bond is registered as the absolute owner thereof for all purposes, whether or not such
36 Bond shall be overdue, and shall not be bound by any notice to the contrary.
37

38 No service charge to the Owners shall be made by the Paying Agent for any
39 exchange or registration of transfer of Bonds. The Paying Agent may require payment
40 by the Person requesting an exchange or registration of transfer of Bonds of a sum
41 sufficient to cover any tax or other governmental charge that may be imposed in relation
42 thereto. The Issuer and the Paying Agent shall not be required (a) to issue, register the
43 transfer of or exchange any Bond during a period beginning at the opening of business
44 on the 15th calendar day of the month next preceding an Interest Payment Date or any
45 date of selection of Bonds to be redeemed and ending at the close of business on the
46 Interest Payment Date or day on which the applicable notice of redemption is given or (b)
47 to register the transfer of or exchange any Bond so selected for redemption in whole or
48 in part.
49

50 SECTION 3.2. Bonds Mutilated, Destroyed, Stolen or Lost. In case any
51 Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost,
52 the Issuer may in its discretion adopt a resolution or ordinance and thereby authorize the
53 issuance and delivery of a new Bond in exchange for and substitution for such mutilated
54 or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen
55 or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his
56 ownership thereof and proof of such mutilation, improper cancellation, destruction, theft
57 or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the
58 Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such
59 amount as the Issuer may require, (iii) compliance with such other reasonable regulations
60 and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer
61 and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the

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5 Paying Agent for cancellation pursuant to Section 3.4 hereof. If any Bond shall have
6 matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay
7 the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or
8 destroyed, without surrender thereof. Any such duplicate Bond issued pursuant to this
9 Section shall constitute an original, additional, contractual obligation on the part of the
10 Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone.
11 Such duplicate Bond shall be in all respects identical with those replaced except that it
12 shall have a different number and shall bear on its face the following additional clause:
13 "This bond is issued to replace a lost, cancelled, or destroyed bond under the authority
14 of R.S. 39:971 through 39:974."
15

16 Such duplicate Bond may be signed by the facsimile signatures of the same
17 officers who signed the original Bonds, provided, however, that in the event the officers
18 who executed the original Bonds are no longer in office, then the new Bonds may be
19 signed by the officers then in office. Such duplicate Bonds shall be entitled to equal and
20 proportionate benefits and rights as to lien and source and security for payment as
21 provided herein with respect to all other Bonds hereunder, the obligations of the Issuer
22 upon the duplicate Bonds being identical to its obligations upon the original Bonds and
23 the rights of the Owner of the duplicate Bonds being the same as those conferred by the
24 original Bonds.
25

26 SECTION 3.3. Preparation of Definitive Bonds, Temporary Bonds. Until the
27 definitive Bonds are prepared, the Issuer may execute, in the same manner as is
28 provided in Section 3.5, and deliver, *in lieu* of definitive Bonds, but subject to the same
29 provisions, limitations and conditions as the definitive Bonds except as to the
30 denominations, one or more temporary typewritten Bonds substantially of the tenor of the
31 definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized
32 denominations, and with such omissions, insertions and variations as may be appropriate
33 to temporary Bonds.
34

35 SECTION 3.4. Cancellation of Bonds. All Bonds paid or redeemed either
36 at or before maturity, together with all Bonds purchased by the Issuer, shall thereupon
37 be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly
38 furnish to the Issuer an appropriate certificate of cancellation.
39

40 SECTION 3.5. Execution. The Bonds shall be executed in the name and
41 on behalf of the Issuer by the manual or facsimile signatures of the Executive Officers,
42 and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed,
43 imprinted, engraved or otherwise reproduced thereon. In case any one or more of the
44 officers who shall have signed or sealed any of the Bonds shall cease to be such officer
45 before the Bonds so signed and sealed shall have been actually delivered, such Bonds
46 may, nevertheless, be delivered as herein provided, and may be issued as if the person
47 who signed or sealed such Bonds had not ceased to hold such office. Said officers shall,
48 by the execution of the Bonds, adopt as and for their own proper signatures their
49 respective facsimile signatures appearing on the Bonds or any legal opinion certificate
50 thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any
51 person or persons who shall have been such officer at any time on or after the date of
52 such Bond, notwithstanding that at the date of such Bond such person may not have held
53 such office or that at the time when such Bond shall be delivered such person may have
54 ceased to hold such office.
55

56 SECTION 3.6. Registration by Paying Agent and Secretary of State. (a)
57 No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit
58 under this Bond Ordinance unless and until a certificate of registration on such Bond
59 substantially in the form set forth in Exhibit C hereto shall have been duly manually
60 executed on behalf of the Paying Agent by a duly authorized signatory, and such
61

5 executed certificate of the Paying Agent upon any such Bond shall be conclusive
6 evidence that such Bond has been executed, registered and delivered under this Bond
7 Ordinance.
8

9 (b) The Bonds shall also be registered with the Secretary of State of the
10 State of Louisiana (which registration shall be by manual signature on the Bonds issued
11 upon original issuance of the Bonds and by facsimile signature on Bonds exchanged
12 therefor) and shall have endorsed thereon the following:
13

14 **"OFFICE OF SECRETARY OF STATE**
15 **STATE OF LOUISIANA**
16 **BATON ROUGE**
17

18 Incontestable. Secured by a pledge and dedication of
19 a sales and use tax in the City of Slidell, State of
20 Louisiana. Registered this _____ day of
21 _____, 1996.
22

23 _____
24 Secretary of State"
25

26 SECTION 3.7. Regularity of Proceedings. The Issuer, having investigated
27 the regularity of the proceedings had in connection with the issuance of the Bonds, and
28 having determined the same to be regular, each of the Bonds shall contain the following
29 recital, to-wit:
30

31 "It is certified that this bond is authorized by and is issued in
32 conformity with the requirements of the Constitution and
33 statutes of this State."
34

35 **ARTICLE IV**

36 **PAYMENT OF BONDS; DISPOSITION OF FUNDS**

37 SECTION 4.1. Deposit of Funds With Paying Agent. The Issuer covenants
38 that it will deposit or cause to be deposited with the Paying Agent from the moneys
39 derived from the Net Revenues of the Tax or other funds available for such purpose, at
40 least three (3) days in advance of each Interest Payment Date, funds fully sufficient to
41 pay promptly the principal, premium, if any, and interest so falling due on such date.
42
43
44

45 SECTION 4.2. Issuer Obligated to Collect Tax. In compliance with the laws
46 of Louisiana, the Issuer, through its governing authority, by proper ordinances and/or
47 resolutions, is obligated to cause the Tax to continue to be levied and collected until all
48 of the Bonds have been retired as to both principal and interest, and further shall not
49 discontinue or decrease or permit to be discontinued or decreased the Tax in anticipation
50 of the collection of which the Bonds have been issued, nor in any way make any change
51 which would diminish the amount of the revenues of the Tax to be received by the Issuer
52 until all of the Bonds have been retired as to both principal and interest.
53

54 SECTION 4.3. Funds and Accounts. In order that the principal of and the
55 interest on the Bonds will be paid in accordance with their terms and for the other objects
56 and purposes hereinafter provided, the Issuer further covenants as follows:
57

58 All of the avails or proceeds of the Tax shall promptly be transferred and
59 deposited in a separate and special bank account known and designated
60 as the "Recreational Bond of 1980 Sales Tax Fund" of the Issuer (the
61 "Sales Tax Fund"). Said Sales Tax Fund shall be maintained and

5 administered in the following order or priority and for the following express
6 purposes which purposes shall be in addition to the purposes for which the
7 Sales Tax Fund was established in Ordinance No. 1252 of the Governing
8 Authority providing for the issuance of the Issuer's Recreation Bonds of
9 1980:

10
11 (a) The maintenance of the Recreational Bond of 1980 Sales Tax Sinking
12 Fund (hereinafter called the "Sinking Fund"), sufficient in amount to pay
13 promptly and fully the principal of and the interest on the Bonds, including
14 the Outstanding Parity Bonds and any Additional Parity Bonds, as they
15 severally become due and payable, by transferring from the Sales Tax Fund
16 to the regularly designated fiscal agent bank or banks of the Issuer monthly
17 in advance on or before the 20th day of each month of each year, an
18 amount necessary to satisfy the monthly requirements set forth in the
19 ordinances authorizing the Outstanding Parity Bonds, and a sum equal to
20 one-sixth (1/6) of the interest falling due on the Bonds on the next interest
21 payment date and a sum equal to one-twelfth (1/12) of the principal falling
22 due on the Bonds on the next principal payment date, together with such
23 additional proportionate sum as may be required to pay said principal and
24 interest as the same respectively become due.
25

26 (b) The maintenance of the Recreational Bond of 1980 Sales Tax Reserve
27 Fund (hereinafter called the "Reserve Fund"), by retaining therein an
28 amount equal to the Reserve Fund Requirement. In the event that
29 Additional Parity Bonds are issued hereafter in the manner provided by this
30 Bond Ordinance, there shall be transferred from the Sales Tax Fund into
31 said Reserve Fund monthly or annually, such amounts (as may be
32 designated in the ordinance authorizing the issuance of such Additional
33 Parity Bonds) as will increase the total amount on deposit in said Reserve
34 Fund within a period not exceeding five (5) years to a sum equal to the
35 Reserve Fund Requirement.
36

37 If at any time it shall be necessary to use moneys in the Reserve Fund
38 above provided for the purpose of paying principal or interest on bonds
39 payable from the aforesaid Sinking Fund as to which there would otherwise
40 be default, then the moneys so used shall be replaced from the revenues
41 first thereafter received, not hereinabove required for payments into the
42 Sinking fund, it being the intention hereof that there shall as nearly as
43 possible be at all times in the Reserve Fund the amount hereinabove
44 specified.
45

46 All or any part of the moneys in the Reserve Fund shall at the written
47 request of the Issuer be invested in the manner provided by law in
48 obligations maturing in five (5) years or less, in which event all income
49 derived from such investments shall be added to either said Reserve Fund
50 or the Sales Tax Fund, and such investments shall, to the extent at any
51 time necessary, be liquidated and the proceeds thereof applied to the
52 purposes for which said Reserve Fund is herein created.
53

54 Any moneys remaining in the Sales Tax Fund on the 20th day of each
55 month and after making the required payments into the Sinking Fund and
56 the Reserve Fund for the current month and for any prior months during
57 which the required payments may not have been made, shall be considered
58 as surplus. Such surplus may be used by the Issuer for the purposes for
59 which the imposition of the Tax is authorized, or for the purpose of retiring
60 the Bonds in advance of the maturities, as herein provided.
61

5 SECTION 4.4. Investment of Funds. All or any part of the moneys in the
6 Sales Tax Fund, the Sinking Fund and the Reserve Fund shall, at the written request of
7 the Issuer, be invested in qualified investments maturing in five (5) years or less, except
8 for (a) Bond proceeds representing accrued interest and (b) moneys on deposit in the
9 Reserve Fund, which shall be invested in Government Securities maturing in five (5)
10 years or less, in which event all income derived from such qualified investments maturing
11 in five (5) years or less, be added to the Sales Tax Fund, and such investments shall, to
12 the extent at any time necessary, be liquidated and the proceeds thereof applied to the
13 purposes for which the Sales Tax Fund is created. Income on investments in the
14 Reserve Fund shall be added to the Sales Tax Fund only to the extent that the amount
15 then on deposit in the Reserve Fund exceeds the Reserve Fund Requirement.
16

17 SECTION 4.5. Funds to Constitute Trust Funds. The Sales Tax Fund, the
18 Sinking Fund, and the Reserve Fund provided for in Section 4.3 hereof shall all be and
19 constitute trust funds for the purposes provided in this Bond Ordinance, and the Owners
20 of Bonds issued pursuant to this Bond Ordinance are hereby granted a lien on all such
21 funds until applied in the manner provided herein. The moneys in such funds shall at all
22 times be secured to the full extent thereof by the bank or trust company holding such
23 funds in the manner required by the laws of the State.
24

25 SECTION 4.6. Method of Valuation and Frequency of Valuation. In
26 computing the amount in any fund provided for in Section 4.3, qualified investments shall
27 be valued at the lower of the cost or the market price, exclusive of accrued interest. With
28 respect to all funds and accounts (except the Reserve Fund), valuation shall occur
29 annually. The Reserve Fund shall be valued semiannually, except in the event of a
30 withdrawal from the Reserve Fund, whereupon it shall be valued immediately after such
31 withdrawal.
32

33 **ARTICLE V**

34 **REDEMPTION OF BONDS**

35 SECTION 5.1. Optional Redemption of Bonds. The Bonds maturing July
36 1, 2007 and thereafter, will be callable for redemption by the Issuer in full at any time on
37 or after July 1, 2006 or in part, in the inverse order of their maturities, and if less than a
38 full maturity then by lot within such maturity, on any Interest Payment Date on or after
39 July 1, 2006, at the redemption prices, expressed as a percentage of the principal amount
40 of each Bond redeemed set forth below, together with accrued interest to the date fixed
41 for redemption:
42
43

<u>Redemption Period</u> <u>(both dates inclusive)</u>	<u>Redemption</u> <u>Price</u>
July 1, 2006 to June 30, 2007	101%
July 1, 2007 to June 30, 2008	100-3/4%
July 1, 2008 to June 30, 2009	100-1/2%
July 1, 2009 to June 30, 2010	100-1/4%
July 1, 2010 and thereafter	100%

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54 In the event a Bond to be redeemed is of a denomination larger than
55 \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Any
56 Bond which is to be redeemed only in part shall be surrendered at the principal corporate
57 trust office of the Paying Agent and there shall be delivered to the Owner of such Bond,
58 a Bond or Bonds of the same maturity and of any authorized denomination or
59 denominations as requested by such Owner in aggregate principal amount equal to and
60 in exchange for the unredeemed portion of the principal of the Bond so surrendered.
61

5 SECTION 5.2. Notice to Paying Agent. In the case of any redemption of
6 Bonds, the Issuer shall give written notice to the Paying Agent of the election so to
7 redeem and the redemption date, and of the principal amounts and numbers of the Bonds
8 or portions of Bonds of each maturity to be redeemed. Such notice shall be given at least
9 thirty (30) days prior to the redemption date. In the event notice of redemption shall have
10 been given as provided in Section 5.4, the Issuer shall, on or before the redemption date,
11 deposit moneys available therefor with the Paying Agent in an amount which, in addition
12 to other amounts, if any, available therefor held by the Paying Agent will be sufficient to
13 redeem on the redemption date, at the redemption price thereof together with accrued
14 interest to the redemption date, all of the Bonds to be redeemed.
15

16 SECTION 5.3. Selection of Bonds to be Redeemed by Lot. In the event
17 of redemption of less than all the outstanding Bonds of like maturity, such Bonds shall be
18 redeemed by lot or in such other manner as shall be deemed fair and equitable by the
19 Paying Agent for random selection.
20

21 SECTION 5.4. Notice of Redemption. Notice of any such redemption shall
22 be given by the Paying Agent by mailing a copy of the redemption notice by first class
23 mail, postage prepaid, by notice deposited in the United States mails not less than thirty
24 (30) days prior to the redemption date addressed to the Owner of each Bond to be
25 redeemed at his address as shown on the registration books of the Paying Agent. Failure
26 to give such notice by mailing to any Owner, or any defect therein, shall not affect the
27 validity of any proceedings for the redemption of other Bonds.
28

29 All notices of redemption shall state (i) the redemption date; (ii) the
30 redemption price; (iii) if less than all the Bonds are to be redeemed, the identifying
31 number (and in the case of partial redemption, the respective principal amounts) and
32 CUSIP number of the Bonds to be redeemed; (iv) that on the redemption date the
33 redemption price will become due and payable on each such Bond and interest thereon
34 will cease to accrue thereon from and after said date; and (v) the place where such
35 Bonds are to be surrendered for payment. Any notice mailed as provided in this Section
36 shall be conclusively presumed to have been duly given, whether or not the Owner of
37 such Bonds receives the notice.
38

39 On or before any redemption date the Paying Agent shall segregate and
40 hold in trust funds furnished by the Issuer for the payment of the Bonds or portions
41 thereof called, together with accrued interest thereon and premium, if any, to the
42 redemption date. Upon the giving of notice and the deposit of funds for redemption,
43 interest on such Bonds or portions thereof thus called shall no longer accrue on or after
44 the date fixed for redemption. If said moneys shall not be so available on the redemption
45 date, such Bonds shall continue to bear interest until paid at the same rate as they would
46 have borne had they not been called for redemption. No payment shall be made by the
47 Paying Agent upon any Bond or portion thereof called for redemption until such Bond or
48 portion thereof shall have been delivered for payment or cancellation or the Paying Agent
49 shall have received the items required by Section 3.2 with respect to any mutilated, lost,
50 stolen or destroyed Bond. Upon surrender of any Bond for redemption in part only, the
51 Paying Agent shall register and deliver to the Owner thereof a new Bond or Bonds of
52 authorized denominations of maturity and interest rate in an aggregate principal amount
53 equal to the unredeemed portion of the Bond surrendered.
54

55 SECTION 5.5. Payment of Redeemed Bonds. Notice having been given
56 in the manner provided in Section 5.4, the Bonds or portions thereof so called for
57 redemption shall become due and payable on the redemption date so designated at the
58 redemption price, plus interest accrued and unpaid to the redemption date, and, upon
59 presentation and surrender thereof at the office specified in such notice, such Bonds or
60
61

5 portions thereof shall be paid at the redemption price plus interest accrued and unpaid
6 to the redemption date. Interest on such Bonds or portions thereof so called for
7 redemption shall cease to accrue on or after the date fixed for redemption.
8

9 SECTION 5.6. Purchase of Bonds. The Paying Agent shall endeavor to
10 apply any moneys furnished by the Issuer for the redemption of Bonds (but not committed
11 to the redemption of Bonds as to which notice of redemption has been given) to the
12 purchase of appropriate outstanding Bonds. In accordance with Section 3.4, any Bonds
13 so purchased shall be cancelled. Subject to the above limitations, the Paying Agent, at
14 the direction of the Issuer, shall purchase Bonds at such times, for such prices, in such
15 amounts and in such manner (whether after advertisement for tenders or otherwise) with
16 monies made available by the Issuer for such purpose, provided, however, that the
17 Paying Agent shall not expend amounts for the purchase of Bonds of a particular maturity
18 (excluding accrued interest, but including any brokerage or other charges) in excess of
19 the amount that would otherwise be expended for the redemption of Bonds of such
20 maturity, plus accrued interest, and, provided further, that the Issuer may, in its discretion,
21 direct the Paying Agent to advertise for tenders for the purchase of Bonds not less than
22 sixty (60) days prior to any date for redemption of Bonds.
23

24 **ARTICLE VI**

25 **PARTICULAR COVENANTS**

26 SECTION 6.1. Payment of Bonds. The Issuer shall duly and punctually
27 pay or cause to be paid as herein provided, the principal or redemption price, if any, of
28 every Bond and the interest thereon, at the dates and places and in the manner stated
29 in the Bonds according to the true intent and meaning thereof.
30
31

32 SECTION 6.2. Tax Covenants. (a) To the extent permitted by the laws
33 of the State, the Issuer will comply with the requirements of the Code to establish,
34 maintain and preserve the exclusion from "gross income" of interest on the bonds under
35 the Code. The Issuer shall not take any action or fail to take any action, nor shall it
36 permit at any time or times any of the proceeds of the Bonds or any other funds of the
37 Issuer to be used directly or indirectly to acquire any securities or obligations the
38 acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the
39 Code or would result in the inclusion of the interest on any Bond in "gross income" under
40 the Code, including, without limitation, (i) the failure to comply with the limitation on
41 investment of the proceeds of the Bonds, (ii) the failure to pay any required rebate of
42 arbitrage earnings to the United States of America, or (iii) the use of the proceeds of the
43 Bonds in a manner which would cause the Bonds to be "private activity bonds" under the
44 Code.
45

46 (b) The Issuer shall not permit at any time or times any proceeds of the
47 Bonds or any other funds of the Issuer to be used, directly or indirectly, in a manner
48 which would result in the exclusion of the interest on any Bond from the treatment
49 afforded by Section 103(a) of the Code, as from time to time amended, or any successor
50 provision thereto.
51

52 SECTION 6.3. Obligation to Collect Tax. The Issuer recognizes that the
53 Governing Authority is bound under the terms and provisions of law, to levy, impose,
54 enforce and collect the Tax and to provide for all reasonable and necessary rules,
55 regulations, procedures and penalties in connection therewith, including the proper
56 application of the proceeds of the Tax, until all of the Bonds have been retired as to both
57 principal and interest. Nothing herein contained shall be construed to prevent the
58 Governing Authority from altering, amending or repealing from time to time as may be
59 necessary the ordinances adopted providing for the levying, imposition, enforcement and
60 collection of the Tax or any subsequent ordinance providing therefor, said alterations,
61

5 amendments or repeals to be conditioned upon the continued preservation of the rights
6 of the Owners with respect to the revenues from the Tax. The Tax Ordinance imposing
7 the Tax and pursuant to which the Tax is being levied, collected and allocated, and the
8 obligation to continue to levy and collect the Tax and to apply the revenues therefrom in
9 accordance with the provisions of this Bond Ordinance, shall be irrevocable until the
10 Bonds have been paid in full as to both principal and interest, and shall not be subject to
11 amendment in any manner which would impair the rights of the Owners from time to time
12 of the Bonds or which would in any way jeopardize the prompt payment of principal
13 thereof and interest thereon. More specifically, neither the Legislature of Louisiana, nor
14 the Issuer may discontinue or decrease the Tax or permit to be discontinued or
15 decreased the Tax in anticipation of the collection of which the Bonds have been issued,
16 or in any way make any change in such Tax which would diminish the amount of the
17 sales tax revenues to be received by the Issuer, until all of such Bonds shall have been
18 retired as to both principal and interest.
19

20 SECTION 6.4. Indemnity Bonds. So long as any of the Bonds are
21 outstanding and unpaid, the Issuer shall require all of its officers and employees who may
22 be in a position of authority or in possession of money derived from the collection of the
23 Tax, to obtain or be covered by a blanket fidelity or faithful performance bond, or
24 independent fidelity bonds written by a responsible indemnity company in amounts
25 adequate to protect the Issuer from loss.
26

27 SECTION 6.5. Issuer to Maintain Books and Records. So long as any of
28 the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain
29 and keep proper books of records and accounts separate and apart from all other records
30 and accounts in which shall be made full and correct entries of all transactions relating
31 to the collection and expenditure of the revenues of the Tax, including specifically but
32 without limitation, all reasonable and necessary costs and expenses of collection. Not
33 later than six (6) months after the close of each Fiscal Year, the Issuer shall cause an
34 audit of such books and accounts to be made by the Legislative Auditor of the State of
35 Louisiana (or his successor) or by a recognized independent firm of certified public
36 accountants showing the receipts of and disbursements made for the account of the
37 Sales Tax Fund. Such audit shall be available for inspection upon request by the Owners
38 of any of the Bonds. The Issuer further agrees that the Paying Agent, and the Owners
39 of any of the Bonds shall have at all reasonable times the right to inspect the records,
40 accounts and data of the Issuer relating to the Tax.
41

42 **ARTICLE VII**

43 **SUPPLEMENTAL BOND ORDINANCES**

44 SECTION 7.1. Supplemental Ordinances Effective Without Consent of
45 Owners. For any one or more of the following purposes and at any time from time to time,
46 an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying
47 Agent of a certified copy thereof, but without any consent of Owners, shall be fully
48 effective in accordance with its terms:
49

50 (a) to add to the covenants and agreements of the Issuer in the Bond
51 Ordinance other covenants and agreements to be observed by the Issuer which are not
52 contrary to or inconsistent with the Bond Ordinance as theretofore in effect;
53

54 (b) to add to the limitations and restrictions in the Bond Ordinance other
55 limitations and restrictions to be observed by the Issuer which are not contrary to or
56 inconsistent with the Bond Ordinance as theretofore in effect;
57

58 (c) to surrender any right, power or privilege reserved to or conferred upon
59 the Issuer by the terms of the Bond Ordinance, but only if the surrender of such right,
60
61

5 power or privilege is not contrary to or inconsistent with the covenants and agreements
6 of the Issuer contained in the Bond Ordinance;

7
8 (d) to cure any ambiguity, supply any omission, or cure or correct any defect
9 or inconsistent provision of the Bond Ordinance; or

10
11 (e) to insert such provisions clarifying matters or questions arising under the
12 Bond Ordinance as are necessary or desirable and are not contrary to or inconsistent with
13 the Bond Ordinance as theretofore in effect.
14

15 **SECTION 7.2. Supplemental Ordinances Effective With Consent of**
16 **Owners.** Except as provided in Section 7.1, any modification or amendment of the Bond
17 Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds
18 hereunder, in any particular, may be made by a supplemental ordinance, with the written
19 consent of the Owners of a majority of the Bond Obligation at the time such consent is
20 given. No such modification or amendment shall permit a change in the terms of
21 redemption or maturity of the principal of any outstanding Bond or of any installment of
22 interest thereon or a reduction in the principal amount or the redemption price thereof or
23 in the rate of interest thereon without the consent of the Owner of such Bond, or shall
24 reduce the percentages of Bonds the consent of the Owner of which is required to effect
25 any such modification or amendment, or change the obligation of the Issuer to levy and
26 collect the Tax for the payment of the Bonds as provided herein, without the consent of
27 the Owners of all of the Bonds then outstanding, or shall change or modify any of the
28 rights or obligations of the Paying Agent without its written assent thereto. For the
29 purposes of this Section, Bonds shall be deemed to be affected by a modification or
30 amendment of the Bond Ordinance if the same adversely affects or diminishes the rights
31 of the Owners of said Bonds.
32

33 **ARTICLE VIII**

34 **ADDITIONAL PARITY BONDS**

35 **SECTION 8.1. Issuance of Additional Parity Bonds.** All of the Bonds shall
36 enjoy complete parity of lien on the avails or proceeds of the Tax despite the fact that any
37 of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer
38 shall issue no other bonds or obligations of any kind or nature payable from or enjoying
39 a lien on the avails or proceeds of the Tax having priority over or parity with the Bonds,
40 except that bonds may hereafter be issued on a parity with the Bonds under the following
41 conditions:
42
43

44
45 (A) The Bonds or any part thereof, including interest and redemption
46 premiums thereon, may be refunded with the consent of the owners thereof (except that
47 as to Bonds which have been properly called for redemption and provisions made for the
48 payment thereof, such consent shall not be necessary) and the bonds so issued shall
49 enjoy complete equality of lien with the portion of the Bonds which is not refunded, if
50 there be any, and the refunding bonds shall continue to enjoy whatever priority of lien
51 over subsequent issues that may have been enjoyed by the Bonds refunded, provided,
52 however, that if only a portion of Bonds outstanding is so refunded and the refunding
53 bonds require total principal and interest payments during any bond year in excess of the
54 principal and interest which would have been required in such bond year to pay the
55 Bonds refunded thereby, then such Bonds may not be refunded without the consent of
56 the Owners of the unrefunded portion of the Bonds issued hereunder.
57

58 (B) Additional Parity Bonds, including any other *pari passu* additional bonds
59 as may at any later date be authorized at an election held by the Issuer or otherwise,
60 may also be issued, and such Additional Parity Bonds shall be on a parity with the Bonds
61 herein authorized if all of the following conditions are met:

5 (a) The average annual revenues derived by the Issuer from the Tax
6 when computed for the two (2) completed Fiscal Years immediately
7 preceding the issuance of the Additional Parity Bonds must have been not
8 less than one and four-tenths (1.40) times the highest combined principal
9 and interest requirements for any succeeding Fiscal Year period on all
10 bonds then outstanding, including any *pari passu* additional bonds
11 theretofore issued and then outstanding, and any other bonds or other
12 obligations whatsoever then outstanding which are payable from the Tax
13 (but not including bonds which have been refunded or provision otherwise
14 made for their full payment and redemption) and the Additional Parity Bonds
15 so proposed to be issued;

16
17 (b) Notwithstanding the provisions of paragraph (a) above, the Net
18 Revenues of the Tax, together with the interest earnings on the Reserve
19 Fund, for each of the two (2) completed Fiscal Years prior to the issuance
20 of the Additional Parity Bonds must have been not less than two (2) times
21 the highest combined principal and interest requirements in any succeeding
22 Fiscal Year period on all bonds then outstanding, including any *pari passu*
23 additional bonds theretofore issued and then outstanding, and any other
24 bonds or other obligations whatsoever then outstanding which are payable
25 from the Tax (but not including bonds which have been refunded or
26 provision otherwise made for their full payment and redemption) and the
27 Additional Parity Bonds so proposed to be issued;

28
29 (c) The payments to be made into the various funds provided for in Section
30 4.3 hereof must be current;

31
32 (d) The existence of the facts required by paragraphs (a) and (b) above
33 must be determined and certified to by an independent firm of certified or
34 registered public accountants who have previously audited the books of the
35 Issuer or by such successors thereof as may have been employed for that
36 purpose;

37
38 (e) The Additional Parity Bonds must be payable as to principal on July
39 1st of each year in which principal falls due, beginning not later than three
40 (3) years from the date of issuance of said Additional Parity Bonds and
41 payable as to interest on January 1st and July 1st of each year; and
42

43 **ARTICLE IX**

44 **REMEDIES ON DEFAULT**

45
46
47 **SECTION 9.1. Events of Default.** If one or more of the following events (in
48 this Bond Ordinance called "Events of Default") shall happen, that is to say, (a) if default
49 shall be made in the due and punctual payment of the principal of any Bond when and
50 as the same shall become due and payable, whether at maturity or otherwise; or (b) if
51 default shall be made in the due and punctual payment of any installment of interest on
52 any Bond when and as such interest installment shall become due and payable; or (c)
53 if default shall be made by the Issuer in the performance or observance of any other of
54 the covenants, agreements or conditions on its part in the Bond Ordinance, any
55 supplemental ordinance or in the Bonds contained and such default shall continue for a
56 period of forty-five (45) days after written notice thereof to the Issuer by the Owners of
57 not less than 25% of the Bond Obligation; or (d) if the Issuer shall file a petition or
58 otherwise seek relief under any Federal or State bankruptcy law or similar law; then,
59 upon the happening and continuance of any Event of Default, the Owners of the Bonds
60 shall be entitled to exercise all rights and powers for which provision is made under
61 Louisiana law.

4
5 **ARTICLE X**

6
7 **CONCERNING FIDUCIARIES**

8
9 SECTION 10.1. Paying Agent; Appointment and Acceptance of Duties. The
10 Issuer will at all times maintain a Paying Agent having the necessary qualifications for the
11 performance of the duties described in this Bond Ordinance. The designation of First
12 National Bank of Commerce, in the City of New Orleans, Louisiana, as the initial Paying
13 Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance
14 of the duties and obligations imposed on it by the Bond Ordinance by executing and
15 delivering an acceptance of its rights, duties and obligations as Paying Agent set forth
16 herein in form and substance satisfactory to the Issuer.

17
18 SECTION 10.2. Successor Paying Agent. Any successor Paying Agent
19 shall (i) be a trust company or bank in good standing, located in or incorporated under
20 the laws of the State, duly authorized to exercise trust powers and subject to examination
21 by federal or state authority, and (ii) have a reported capital and surplus of not less than
22 \$10,000,000.

23
24 **ARTICLE XI**

25
26 **MISCELLANEOUS**

27
28 SECTION 11.1. Defeasance. (a) If the Issuer shall pay or cause to be paid
29 to the Owners of all Bonds then outstanding, the principal and interest and redemption
30 premium, if any, to become due thereon, at the times and in the manner stipulated therein
31 and in the Bond Ordinance, then the covenants, agreements and other obligations of the
32 Issuer to the Owners shall be discharged and satisfied. In such event, the Paying Agent
33 shall, upon the request of the Issuer, execute and deliver to the Issuer all such
34 instruments as may be desirable to evidence such discharge and satisfaction and the
35 Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held
36 by them pursuant to the Bond Ordinance which are not required for the payment or
37 redemption of Bonds not theretofore surrendered for such payment or redemption.

38
39 (b) Bonds or interest installments for the payment of which money shall
40 have been set aside and shall be held in trust (through deposit by the Issuer of funds for
41 such payment or otherwise) at the maturity date thereof shall be deemed to have been
42 paid within the meaning and with the effect expressed above in this Section. Bonds shall
43 be deemed to have been paid, prior to their maturity, within the meaning and with the
44 effect expressed above in this Section if they have been defeased pursuant to Chapter
45 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor
46 provisions thereto.

47
48 SECTION 11.2. Evidence of Signatures of Owners and Ownership of
49 Bonds. (a) Any request, consent, revocation of consent or other instrument which the
50 Bond Ordinance may require or permit to be signed and executed by the Owners may
51 be in one or more instruments of similar tenor, and shall be signed or executed by such
52 Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the
53 execution of any such instrument, or of an instrument appointing any such attorney, or
54 (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of the
55 Bond Ordinance (except as otherwise therein expressly provided) if made in the following
56 manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless
57 in its discretion require further or other proof in cases where it deems the same desirable:

- 58
59 (A) the fact and date of the execution by any Owner or his attorney-in-
60 fact of such instrument may be proved by the certificate, which need
61 not be acknowledged or verified, of an officer of a bank or trust

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4

5 company or of any notary public that the person signing such request
6 or other instrument acknowledged to him the execution thereof, or by
7 an affidavit of a witness of such execution, duly sworn to before such
8 notary public or other officer. Where such execution is by an officer
9 of a corporation or association or a member of a partnership, on
10 behalf of such corporation, association or partnership, such certificate
11 or affidavit shall also constitute sufficient proof of his authority;
12

13 (B) the ownership of Bonds and the amount, numbers and other
14 identification, and date of owning the same shall be proved by the
15 registration books of the Paying Agent.
16

17 (b) Any request or consent by the Owner of any Bond shall bind all future
18 Owners of such Bond in respect of anything done or suffered to be done by the Issuer
19 or the Paying Agent in accordance therewith.
20

21 SECTION 11.3. Moneys Held for Particular Bonds. The amounts held by
22 the Paying Agent for the payment due on any date with respect to particular Bonds shall,
23 on and after such date and pending such payment, be set aside on its books and held
24 in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.
25

26 SECTION 11.4. Parties Interested Herein. Nothing in the Bond Ordinance
27 expressed or implied is intended or shall be construed to confer upon, or to give to, any
28 person or corporation, other than the Issuer, the Paying Agent and the Owners of the
29 Bonds any right, remedy or claim under or by reason of the Bond Ordinance or any
30 covenant, condition or stipulation thereof; and all the covenants, stipulations, promises
31 and agreements in the Bond Ordinance contained by and on behalf of the Issuer shall be
32 for the sole and exclusive benefit of the Issuer, the Paying Agent and the Owners of the
33 Bonds.
34

35 SECTION 11.5. No Recourse on the Bonds. No recourse shall be had for
36 the payment of the principal of or interest on the Bonds or for any claim based thereon
37 or on this Bond Ordinance against any member of the Governing Authority or officer of
38 the Issuer or any person executing the Bonds.
39

40 SECTION 11.6. Successors and Assigns. Whenever in this Bond
41 Ordinance the Issuer is named or referred to, it shall be deemed to include its successors
42 and assigns and all the covenants and agreements in this Bond Ordinance contained by
43 or on behalf of the Issuer shall bind and enure to the benefit of its successors and
44 assigns whether so expressed or not.
45

46 SECTION 11.7. Severability. In case any one or more of the provisions of
47 the Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be
48 illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond
49 Ordinance or of the Bonds, but the Bond Ordinance and the Bonds shall be construed
50 and enforced as if such illegal or invalid provisions had not been contained therein. Any
51 constitutional or statutory provision enacted after the date of the Bond Ordinance which
52 validates or makes legal any provision of the Bond Ordinance or the Bonds which would
53 not otherwise be valid or legal shall be deemed to apply to the Bond Ordinance and to
54 the Bonds.
55

56 SECTION 11.8. Publication of Bond Ordinance; Peremption. This Bond
57 Ordinance shall be published one time in the official journal of the Issuer; however, it shall
58 not be necessary to publish any exhibits hereto if the same are available for public
59 inspection and such fact is stated in the publication. For thirty (30) days after the date
60 of publication, any person in interest may contest the legality of this Bond Ordinance, any
61 provision of the Bonds, the provisions therein made for the security and payment of the

1 **ORDINANCE NO. 2677**
2 **ITEM NO. 96-04-1854**
3 **PAGE 19**
4

5 Bonds and the validity of all other provisions and proceedings relating to the authorization
6 and issuance of the Bonds. After the said thirty days, no person may contest the
7 regularity, formality, legality or effectiveness of the Bond Ordinance, any provisions of the
8 Bonds to be issued pursuant hereto, the provisions for the security and payment of the
9 Bonds and the validity of all other provisions and proceedings relating to their
10 authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively
11 presumed that the Bonds are legal and that every legal requirement for the issuance of
12 the Bonds has been complied with. No court shall have authority to inquire into any of
13 these matters after the said thirty days.
14

15 SECTION 11.9. Execution of Documents. In connection with the issuance
16 and sale of the Bonds, the Executive Officers are each authorized, empowered and
17 directed to execute on behalf of the Issuer such documents, certificates and instruments
18 as they may deem necessary, upon the advice of Bond Counsel, to effect the
19 transactions contemplated by this Bond Ordinance, the signatures of the Executive
20 Officers on such documents, certificates and instruments to be conclusive evidence of the
21 due exercise of the authority granted hereunder.
22

23 SECTION 11.10. Recordation. A certified copy of this Bond Ordinance
24 shall be filed and recorded as soon as possible in the Mortgage Records of the Parish
25 of St. Tammany, State of Louisiana.
26

27 SECTION 11.11. Employment of Bond Counsel. It is recognized by the
28 parties hereto that a real necessity exists for the employment of special bond counsel in
29 connection with the issuance of the Bonds and accordingly the employment of Foley &
30 Judell, L.L.P., of New Orleans, Louisiana, as special bond counsel to the Issuer to do and
31 perform comprehensive legal and co-ordinate professional work with respect to the
32 issuance and sale of the Bonds, is hereby approved and confirmed. The fees to be paid
33 said attorneys shall be in accordance with the Attorney General's Guidelines for Fees and
34 Services of Bond Attorneys, which fee for special bond counsel shall not exceed the
35 amount calculated in accordance with the Attorney General's Guidelines for
36 Comprehensive Legal and Coordinate Professional Work in the issuance of revenue
37 bonds, plus actual out-of-pocket expenses incurred in connection with the issuance of the
38 Bonds. The fees herein described shall be payable directly to special bond counsel from
39 the funds derived from the sale of said Bonds. Bond Counsel shall also assist in the
40 preparation of an Official Statement containing detailed and comprehensive financial and
41 statistical data required with respect to the sale of the Bonds and the costs of the
42 preparation, printing and distribution of such official statement shall be paid from the
43 proceeds of the Bonds. Said Official Statement may be submitted to such nationally
44 recognized bond rating service or services as may be recommended by bond counsel,
45 together with a request that an appropriate rating be assigned. A certified copy of this
46 Bond Ordinance shall be submitted to the Attorney General of the State of Louisiana for
47 his written approval of said employment and of the fees herein designated.
48

49 SECTION 11.12. Disposition of Bond Proceeds. Upon deliver of the Bonds,
50 any accrued interest shall be placed in the Sinking Fund. An amount of proceeds
51 sufficient to bring the Reserve Fund to the Reserve Fund Requirement shall be placed
52 in the Reserve Fund provided such amount does not exceed ten percent (10%) of the
53 amount of the Bonds and the remainder shall be placed in a Construction Fund to be
54 used for the purposes for which the Bonds were issued.
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61

5 **ARTICLE XII**

6 **INTRODUCTION OF ORDINANCE**

7
8
9 SECTION 12.1 Introduction of Ordinance. This ordinance having been
10 introduced at a duly convened meeting on April 23, 1996, in compliance with a duly
11 published agenda item and notice of introduction hereof having been published once in
12 the official journal of the Issuer at least seven (7) days prior to the date of adoption hereof
13 and having been duly adopted by the Slidell City Council on May 28, 1996, pursuant to
14 a duly published agenda item, in compliance with the provisions of the City Charter, this
15 ordinance shall take effect immediately upon approval by the Mayor of the City.
16

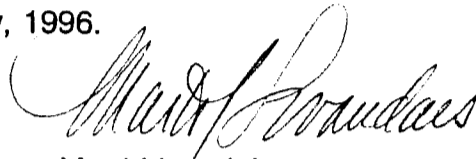
Adopted this 28th day of May, 1996.

DELIVERED 2:00 p.m.

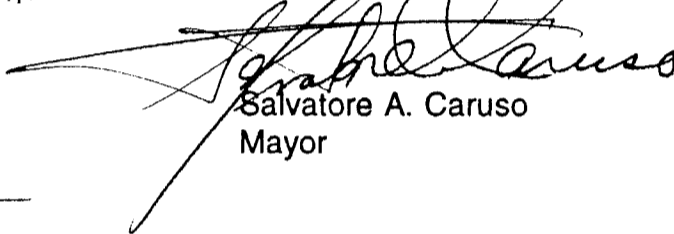
5/31/96 to the Mayor

RECEIVED 10:45 a.m.

6/5/96 from the Mayor



Marti Livaudais
Councilwoman, District E
President of the Council



Salvatore A. Caruso
Mayor



Davis Dautreuil
Council Administrator/Clerk of the Council