

1 Introduced February 17, 2004, by Councilwoman
2 Burkhalter, seconded by Councilwoman Livaudais
3 (both by request of Administration)

4 **Item No. 04-02-2398**

5 **ORDINANCE NO. 3175**

6
7 An ordinance providing for the issuance and sale of General
8 Obligation Refunding Bonds, Series 2004, of the City of Slidell, State
9 of Louisiana; prescribing the form, fixing the details and providing for
10 the rights of the owners thereof; providing for the payment of the
11 principal of and interest on such bonds and the application of the
12 proceeds thereof to the refunding of certain bonds of said City; and
13 providing for other matters in connection therewith.

14 WHEREAS, pursuant to the provisions of Article VI, Section 33 of the Constitution of
15 the State of Louisiana of 1974, Sub-Part A, Part III, Chapter 4, and Chapter 14-A of Title 39 of the
16 Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority,
17 the City of Slidell, State of Louisiana (the "Issuer"), acting through its governing authority, the
18 Slidell City Council (the "Governing Authority"), has heretofore issued \$4,875,000 of General
19 Obligation Refunding Bonds, Series 1994 (the "Series 1994 Bonds"); and

20 WHEREAS, the Issuer is authorized to borrow money and issue general obligation
21 bonds payable from ad valorem taxes to refund its outstanding general obligation bonds, pursuant
22 to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and
23 other constitutional and statutory authority; and

24 WHEREAS, the Issuer has found and determined that the refunding of the
25 outstanding Series 1994 Bonds, consisting of \$2,640,000 of General Obligation Refunding Bonds,
26 Series 1994 which mature March 1, 2005 to 2009, inclusive (the "Refunded Bonds"), would be
27 financially advantageous to the Issuer and would result in a lower effective interest rate on such
28 Refunded Bonds and debt service savings to the Issuer; and

29 WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes
30 of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this
31 Governing Authority to adopt this Ordinance in order to provide for the issuance of Two Million
32 Seven Hundred Twenty-Five Thousand Dollars (\$2,725,000) principal amount of its General
33 Obligation Refunding Bonds, Series 2004, of the Issuer (the "Bonds"), for the purpose of refunding
34 the Refunded Bonds, to fix the details of the Bonds and to sell the Bonds to the purchaser thereof;
35 and

36 WHEREAS, it is necessary to provide for the application of the proceeds of the
37 Bonds and to provide for other matters in connection with the payment or redemption of the
38 Refunded Bonds; and

39 WHEREAS, in connection with the issuance of the Bonds, it is necessary that
provision be made for the payment of the principal and interest of the Refunded Bonds described
in Exhibit A hereto; and

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

6 NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council, acting as the
7 governing authority thereof, that:

8
9 **ARTICLE 1**

10 **DEFINITIONS AND INTERPRETATION**

11
12 SECTION 1.1 Definitions . The following terms shall have the following meanings
13 unless the context otherwise requires:

14
15 **"Act"** shall mean Chapter 14-A of Title 39 of the Louisiana Revised Statutes of
16 1950, as amended, and other applicable constitutional and statutory authority.

17
18 **"Bond"** or **"Bonds"** shall mean any or all of the General Obligation Refunding
19 Bonds, Series 2004 of the Issuer, issued pursuant to the Bond Ordinance, as the same may be
20 amended from time to time, whether initially delivered or issued in exchange for, upon transfer of,
21 or *in lieu* of any previously issued Bond.

22
23 **"Bond Obligation"** shall mean, as of the date of computation, the principal amount
24 of the Bonds then Outstanding.

25
26 **"Bond Ordinance"** shall mean this Ordinance, as it may be amended and
27 supplemented as herein provided.

28
29 **"Business Day"** shall mean a day of the year other than a day on which banks
30 located in New York, New York and the cities in which the principal offices of the Paying Agent are
31 located are required or authorized to remain closed and on which the New York Stock Exchange is
32 closed.

33
34 **"Code"** shall mean the Internal Revenue Code of 1986, as amended.

35
36 **"Costs of Issuance"** shall mean all items of expense, directly or indirectly payable
37 or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not
38 limited to printing costs, costs of preparation and reproduction of documents, filing and recording
39 fees, initial fees and charges of any fiduciary, legal fees and charges, 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.

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4 **"Debt Service"** for any period shall mean, as of the date of calculation, an amount
5 equal to the sum of (a) interest payable during such period on Bonds and (b) the principal amount
6 of Bonds which mature during such period.

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

9 **"Executive Officers"** shall mean, collectively, the Mayor and Clerk of the Council of
10 the Governing Authority.

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

14 **"Governing Authority"** shall mean the Slidell City Council, or its successor in
15 function.

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

20 **"Interest Payment Date"** shall mean March 1 and September 1 of each year,
21 commencing September 1, 2004.

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

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

25 (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying
26 Agent for cancellation;

27 (b) Bonds for the payment or redemption of which sufficient Defeasance Obligations
28 have been deposited with the Paying Agent or an escrow agent in trust for the
29 owners of such Bonds as provided in Section 11.1 hereof, provided that if such
30 Bonds are to be redeemed, irrevocable notice of such redemption has been duly
31 given or provided for pursuant to the Bond Ordinance, to the satisfaction of the
32 Paying Agent, or waived;

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

35 (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have
36 been paid as provided in the Bond Ordinance or by law.
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4 "Owner" or "Owners" shall mean the Person reflected as registered owner of any
5 of the Bonds on the registration books maintained by the Paying Agent.

6 "Paying Agent" shall mean Argent Trust, a division of National Independent Trust
7 Company, in the City of Ruston, Louisiana, as paying agent and registrar hereunder, until a
8 successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond
9 Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.

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

13 "Purchaser" shall mean Coastal Securities, LP, of New Orleans, Louisiana.

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

17 "Refunded Bonds" shall mean the Issuer's \$2,640,000 of outstanding General
18 Obligation Refunding Bonds, Series 1994 maturing March 1, 2005 to March 1, 2009, inclusive,
19 which are being refunded by the Bonds, as more fully described in Exhibit A hereto.

20 "State" shall mean the State of Louisiana.

21
22 SECTION 1.2. Interpretation. In this Bond Ordinance, unless the context otherwise
23 requires, (a) words importing the singular include the plural and vice versa, (b) words of the
24 masculine gender shall be deemed and construed to include correlative words of the feminine and
25 neuter genders and (c) the title of the offices used in this Bond Ordinance shall be deemed to
26 include any other title by which such office shall be known under any subsequently adopted
27 charter.

28 **ARTICLE 2**

29 **AUTHORIZATION AND ISSUANCE OF BONDS**

30
31 SECTION 2.1. Authorization of Bonds; Refunding of Refunded Bonds . (a) This
32 Bond Ordinance creates a series of Bonds of the Issuer to be designated "General Obligation
33 Refunding Bonds, Series 2004, of the City of Slidell, State of Louisiana" and provides for the full
34 and final payment of the principal of and interest on all the Bonds.

35 (b) The Bonds issued under this Bond Ordinance shall be issued for the purpose of
36 refunding the Refunded Bonds through the deposit of a portion of the proceeds of the Bonds, in
37 order to provide for the payment of the principal of and interest on the Refunded Bonds upon
38 redemption as provided in Section 13.1 hereof, and paying the Costs of Issuance.
39

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

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

19 SECTION 2.3. Obligation of Bonds. The Bonds shall constitute general obligations
20 of the Issuer, and the full faith and credit of the Issuer is hereby pledged for their payment and for
21 the payment of all the interest thereon. The Issuer is bound under the terms and provisions of law
22 and this Bond Ordinance to impose and collect annually, in excess of all other taxes, a tax on all
23 the property subject to taxation within the territorial limits of the Issuer, sufficient to pay the principal
24 of and interest on the Bonds falling due each year, said tax to be levied and collected by the same
25 officers, in the same manner and at the same time as other taxes are levied and collected within
26 the territorial limits of the Issuer. All ad valorem taxes levied by the Issuer in each year for the
27 payment of the Bonds shall, upon their receipt, be transferred to the Governing Authority, which
28 shall have responsibility for the deposit of such receipts and for the investment and reinvestment of
29 such receipts and the servicing of the Bonds and any other general obligation bonds of the Issuer.

30 SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the
31 Act, there is hereby authorized the issuance of Two Million Seven Hundred Twenty-Five Thousand
32 Dollars (\$2,725,000) principal amount of Bonds of the Issuer to be designated "General Obligation
33 Refunding Bonds, Series 2004, of the City of Slidell, State of Louisiana," for the purpose of
34 refunding the Refunded Bonds and paying the Costs of Issuance. The Bonds shall be in
35 substantially the form set forth as Exhibit B hereto, with such necessary or appropriate variations,
36 omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

37 This Governing Authority hereby finds and determines that upon the issuance of the
38 Bonds, the total outstanding amount of general obligation bonds of the Issuer issued and deemed
39 to be outstanding will not exceed the Issuer's general obligation bond limit.

SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds are
issuable as fully registered bonds without coupons in the denomination of \$5,000 each or any
integral multiple thereof within a single maturity, and shall be numbered R-1 upward.

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4 The Bonds shall be dated March 1, 2004, shall mature on March 1 in the years and
5 in the principal amounts and shall bear interest, payable on March 1 and September 1 of each
6 year, commencing September 1, 2004, at the rates per annum, as follows:

7	<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
8	<u>(MARCH 1)</u>	<u>PAYMENT</u>	<u>RATE</u>	<u>(MARCH 1)</u>	<u>PAYMENT</u>	<u>RATE</u>
9	2005	\$515,000	1.150%	2008	\$560,000	2.150%
10	2006	530,000	1.450	2009	580,000	2.500
11	2007	540,000	1.800			

12 The principal of the Bonds is payable in such coin or currency of the United States
13 of America as at the time of payment is legal tender for payment of public and private debts at the
14 principal office of the Paying Agent, upon presentation and surrender thereof. Interest on the
15 Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to
16 the Owner thereof (determined as of the close of business on the Record Date) at the address of
17 such Owner as it appears on the registration books of the Paying Agent maintained for such
18 purpose.

19 Except as otherwise provided in this Section, Bonds shall bear interest from date
20 thereof or from the most recent Interest Payment Date to which interest has been paid or duly
21 provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall
22 default in the payment of the interest on any Bonds due on any Interest Payment Date, then all
23 such Bonds shall bear interest from the most recent Interest Payment Date to which interest has
24 been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.

25 The person in whose name any Bond is registered at the close of business on the
26 Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the
27 interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond
28 upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to
29 such Interest Payment Date.

30 **ARTICLE 3**

31 **GENERAL TERMS AND PROVISIONS OF THE BONDS**

32 **SECTION 3.1. Exchange of Bonds; Persons Treated as Owners.** The Issuer shall
33 cause books for the registration and for the registration of transfer of the Bonds as provided in this
34 Bond Ordinance to be kept by the Paying Agent at its principal office, and the Paying Agent is
35 hereby constituted and appointed the registrar for the Bonds. At reasonable times and under
36 reasonable regulations established by the Paying Agent said list may be inspected and copied by
37 the Issuer or by the Owners (or a designated representative thereof) of 15% of the outstanding
38 principal amount of the Bonds.

39 All Bonds presented for registration of transfer or exchange shall be accompanied
by a written instrument or instruments of transfer in form and with a guaranty of signature

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4 satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in
5 writing.

6 The Bonds may be transferred, registered and assigned only on the Bond Register,
7 and such registration shall be at the expense of the Issuer. A Bond may be assigned by the
8 execution of an assignment form on the Bond or by other instruments of transfer and assignment
9 acceptable to the Paying Agent. A new Bond will be delivered by the Paying Agent to the last
10 assignee (the new Owner) in exchange for such transferred and assigned Bond after receipt of the
11 Bond to be transferred in proper form. Such new Bond shall be in an authorized denomination.
12 Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange
13 any Bond during a period beginning at the opening of business on a Record Date and ending at
14 the close of business on the Interest Payment Date.

15 No service charge to the Owners shall be made by the Paying Agent for any
16 exchange or registration of transfer of Bonds. The Paying Agent may require payment by the
17 person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any
18 tax or other governmental charge that may be imposed in relation thereto.

19 All Bonds delivered upon any registration of transfer or exchange of Bonds shall be
20 valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under
21 this Bond Ordinance as the Bonds surrendered.

22 Prior to due presentment for registration of transfer of any Bond, the Issuer and the
23 Paying Agent, and any agent of the Issuer or the Paying Agent may deem and treat the person in
24 whose name any Bond is registered as the absolute owner thereof for all purposes, whether or not
25 such Bond shall be overdue, and shall not be bound by any notice to the contrary.

26 **SECTION 3.2. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall
27 become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its
28 discretion adopt a resolution and thereby authorize the issuance and delivery of a new Bond in
29 exchange for and substitution for such mutilated or improperly cancelled Bond, or *in lieu* of and
30 substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the
31 Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation,
32 destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer
33 and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such
34 amount as the Issuer may require, (iii) complying with such other reasonable regulations and
35 conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying
36 Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation
37 pursuant to Section 3.4 hereof. If any Bond shall have matured or be about to mature, instead of
38 issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and
39 if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section shall constitute an original,
additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or
destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects
identical with those replaced except that it shall bear on its face the following additional clause:

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5 "This bond is issued to replace a lost, cancelled or destroyed bond
6 under the authority of R.S. 39:971 through 39:974."

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

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

22 SECTION 3.4. Cancellation of Bonds. All Bonds paid either at or before maturity,
23 together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the
24 Paying Agent. The Paying Agent shall thereupon promptly furnish to the Clerk of the Council of the
25 Governing Authority an appropriate certificate of cancellation.

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

34 SECTION 3.6. Registration by Secretary of State. The Bonds shall be registered
35 with the Secretary of State of the State of Louisiana and shall bear the endorsement of the
36 Secretary of State of Louisiana substantially in the form set forth in Exhibit B hereto, provided such
37 endorsement shall be manually signed only on the Bonds initially delivered to the Purchaser and
38 any Bonds subsequently exchanged therefor as permitted in this Bond Ordinance may bear the
39 facsimile signature of said Secretary of State.

5 SECTION 3.7. Registration by Paying Agent. No Bond shall be valid or obligatory
6 for any purpose or entitled to any security or benefit under this Bond Ordinance unless and until a
7 certificate of registration on such Bond substantially in the form set forth in Exhibit B hereto shall
8 have been duly executed on behalf of the Paying Agent by a duly authorized signatory, and such
9 executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that
such Bond has been executed, registered and delivered under this Bond Ordinance.

10 SECTION 3.8. Recital of Regularity. This Governing Authority, having investigated
11 the regularity of the proceedings had in connection with this issue of Bonds, and having
12 determined the same to be regular, the Bonds shall contain the following recital, to-wit:

13 "It is certified that this Bond is authorized by and is issued in
14 conformity with the requirements of the Constitution and statutes of
15 this State."
16

17 **ARTICLE 4**

18 **SINKING FUND; PAYMENT OF BONDS**
19

20 SECTION 4.1. Sinking Fund. (a) For the payment of the principal of and the
21 interest on the Bonds, the Issuer will maintain a special fund, to be held by the regularly designated
22 fiscal agent of the Issuer (the "Sinking Fund"), into which the Issuer will deposit the proceeds of the
23 aforesaid tax described in Section 2.3 hereof and no other moneys whatsoever (except for interest
24 earnings thereon). The depository for the Sinking Fund shall transfer from the Sinking Fund to the
25 Paying Agent at least three (3) days in advance of each Interest Payment Date, funds fully
sufficient to pay promptly the principal and interest falling due on such date.

26 (b) All moneys deposited with the regularly designated fiscal agent bank or banks of
27 the Issuer or the Paying Agent under the terms of this Bond Ordinance shall constitute sacred
28 funds for the benefit of the Owners of the Bonds, and shall be secured by said fiduciaries at all
29 times to the full extent thereof in the manner required by law for the securing of deposits of public
funds.

30 (c) All or any part of the moneys in the Sinking Fund shall, at the written request of
31 the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, in
32 which event all income derived from such investments shall be added only to the Sinking Fund.
33 Accrued interest, if any, received upon delivery of the Bonds shall be invested only in Government
34 Securities maturing on or prior to the first Interest Payment Date.

35 SECTION 4.2. Payment of Bonds. The Issuer shall duly and punctually pay or
36 cause to be paid as herein provided, the principal of every Bond and the interest thereon, at the
37 dates and places and in the manner stated in the Bonds according to the true intent and meaning
38 thereof.
39

4 **ARTICLE 5**

5 **REDEMPTION OF BONDS**

6
7 SECTION 5.1. Redemption of Bonds. The Bonds are not callable for redemption
8 prior to their stated maturity dates.

9
10 **ARTICLE 6**

11 **APPLICATION OF BOND PROCEEDS**

12
13 SECTION 6.1. Application of Bond Proceeds. As a condition of the issuance of the
14 Bonds, the Issuer hereby binds and obligates itself to:

15 (a) Apply an amount of the proceeds derived from the issuance and sale of the
16 Bonds (exclusive of accrued interest), as will fully redeem the Refunded Bonds.

17 (b) Deposit accrued interest, if any, received on the delivery date of the Bonds into
18 the Sinking Fund established by Section 4.1 hereof and apply said funds to pay a portion of the
19 interest due on the Bonds on the first Interest Payment Date therefor. Accrued interest, if any,
20 received upon delivery of the Bonds shall be invested only in Government Securities maturing on
21 or prior to the first Interest Payment Date.

22
23 **ARTICLE 7**

24 **SUPPLEMENTAL BOND ORDINANCES**

25
26 SECTION 7.1. Supplemental Ordinances Effective Without Consent of Owners .
27 For any one or more of the following purposes and at any time from time to time, an ordinance
28 supplemental hereto may be adopted, which, upon the filing with the Paying Agent of a certified
29 copy thereof, but without any consent of Owners, shall be fully effective in accordance with its
30 terms:

- 31 (a) to add to the covenants and agreements of the Issuer in the Bond Ordinance
32 other covenants and agreements to be observed by the Issuer which are not
33 contrary to or inconsistent with the Bond Ordinance as theretofore in effect;
- 34 (b) to add to the limitations and restrictions in the Bond Ordinance other
35 limitations and restrictions to be observed by the Issuer which are not
36 contrary to or inconsistent with the Bond Ordinance as theretofore in effect;
- 37 (c) to surrender any right, power or privilege reserved to or conferred upon the
38 Issuer by the terms of the Bond Ordinance, but only if the surrender of such
39

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

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

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

11
12 **SECTION 7.2. Supplemental Ordinances Effective With Consent of Owners.** Except
13 as provided in Section 7.1, any modification or amendment of the Bond Ordinance or of the rights
14 and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be
15 made by a supplemental ordinance, with the written consent of the Owners of a majority of the
16 Bond Obligation at the time such consent is given. No such modification or amendment shall
17 permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or
18 of any installment of interest thereon or a reduction in the principal amount or redemption price
19 thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall
20 reduce the percentage of Bonds the consent of the Owner of which is required to effect any such
21 modification or amendment, or change the obligation of the Issuer to levy and collect taxes for the
22 payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds
23 then outstanding, or shall change or modify any of the rights or obligations of the Paying Agent
24 without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be
25 affected by a modification or amendment of the Bond Ordinance if the same adversely affects or
26 diminishes the rights of the Owners of said Bonds.

27 A supplemental ordinance, upon the filing with the Paying Agent of a certified copy
28 thereof, shall become fully effective in accordance with its terms.

29 **ARTICLE 8**

30 **TAX AND SECURITIES LAWS COVENANTS**

31 **SECTION 8.1. Tax Covenants.** The Issuer covenants and agrees that, to the
32 extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the
33 Code to in order to establish, maintain and preserve the exclusion from "gross income" of interest
34 on the Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor
35 shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the
36 Issuer to be used directly or indirectly in any manner, to acquire any securities or obligations the
37 acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or
38 would result in the inclusion of the interest on any Bond in "gross income" under the Code,
39 including, without limitation, (i) the failure to comply with the limitation on investment of the
proceeds of the Bonds, (ii) the failure to pay any required rebate of arbitrage earnings to the United
States of America, or (iii) the use of the proceeds of the Bonds in a manner which would cause the
Bonds to be "private activity bonds" under the Code.

5 The Executive Officers are hereby empowered, authorized and directed to take any
6 and all action and to execute and deliver any instrument, document or certificate necessary to
7 effectuate the purposes of this Section.

8 SECTION 8.2. Bonds are "Bank-Qualified". The Bonds are designated as "qualified
9 tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this
10 designation, the Issuer finds and determines that:

- 11 (a) the Bonds are not "private activity bonds" within the meaning of the Code;
12 and
13 (b) the reasonably anticipated amount of qualified tax-exempt obligations which
14 will be issued by the Issuer and all subordinate entities in calendar year 2004
15 does not exceed \$10,000,000.

16 SECTION 8.3. Disclosure Under SEC Rule 15c2-12. The Mayor and/or Director of
17 Finance or Clerk of the Council are hereby empowered and directed to execute an appropriate
18 Continuing Disclosure Certificate (substantially in the form set forth in Appendix H of the official
19 statement issued in connection with the sale and issuance of the Bonds) pursuant to S.E.C. Rule
20 15c2-12(b)(5).

21 **ARTICLE 9**

22 **REMEDIES ON DEFAULT**

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

- 25 (a) if default shall be made in the due and punctual payment of the principal of any
26 Bond when and as the same shall become due and payable, whether at
27 maturity or otherwise; or
28 (b) if default shall be made in the due and punctual payment of any installment of
29 interest on any Bond when and as such interest installment shall become due
30 and payable; or
31 (c) if default shall be made by the Issuer in the performance or observance of any
32 other of the covenants, agreements or conditions on its part in the Bond
33 Ordinance, any supplemental ordinance or in the Bonds contained and such
34 default shall continue for a period of thirty (30) days after written notice thereof
35 to the Issuer by any Owner; or
36 (d) if the Issuer shall file a petition or otherwise seek relief under any Federal or
37 State bankruptcy law or similar law;
38
39

4 then, upon the happening and continuance of any Event of Default the Owners of the Bonds shall
5 be entitled to exercise all rights and powers for which provision is made under Louisiana law.

6
7 **ARTICLE 10**

8 **CONCERNING FIDUCIARIES**
9

10 SECTION 10.1. Paying Agent; Appointment and Acceptance of Duties. The Issuer
11 will at all times maintain a Paying Agent having the necessary qualifications for the performance of
12 the duties described in this Bond Ordinance. The designation of Argent Trust, a division of
13 National Independent Trust Company, in the City of Ruston, Louisiana, as the initial Paying Agent
14 is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and
15 obligations imposed on it by the Bond Ordinance by executing and delivering to the Executive
16 Officers a written acceptance thereof. The Governing Authority reserves the right to appoint a
17 successor Paying Agent by filing with the Person then performing such function a certified copy of
18 a resolution or ordinance giving notice of the termination of the agreement and appointing a
19 successor and causing notice to be given to each Owner. Furthermore, the Paying Agent may be
20 removed by the Issuer at any time for any breach of its duties set forth herein, affective upon
21 appointment of a successor Paying Agent as set forth above. Every Paying Agent appointed
22 hereunder shall at all times be a trust company or bank organized and doing business under the
23 laws of the United States of America or of any State, authorized under such laws to exercise trust
24 powers, and subject to supervision or examination by Federal or State authority.

25
26 **ARTICLE 11**

27 **MISCELLANEOUS**
28

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

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

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4
5 SECTION 11.2. Evidence of Signatures of Owners and Ownership of Bonds. (a)
6 Any request, consent, revocation of consent or other instrument which the Bond Ordinance may
7 require or permit to be signed and executed by the Owners may be in one or more instruments of
8 similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-
9 fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument
10 appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient
11 for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in
12 the following manner, or in any other manner satisfactory to the Paying Agent, which may
13 nevertheless in its discretion require further or other proof in cases where it deems the same
14 desirable:

15 (1) the fact and date of the execution by any Owner or his attorney-in-fact of such
16 instrument may be proved by the certificate, which need not be acknowledged
17 or verified, of an officer of a bank or trust company or of any notary public or
18 other officer authorized to take acknowledgments of deeds, that the person
19 signing such request or other instrument acknowledged to him the execution
20 thereof, or by an affidavit of a witness of such execution, duly sworn to before
21 such notary public or other officer. Where such execution is by an officer of a
22 corporation or association or a member of a partnership, on behalf of such
23 corporation, association or partnership, such certificate or affidavit shall also
24 constitute sufficient proof of his authority;

25 (2) the ownership of Bonds and the amount, numbers and other identification, and
26 date of owning the same shall be proved by the registration books of the Paying
27 Agent.

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

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

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

SECTION 11.5. No Recourse on the Bonds. No recourse shall be had for the
payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond

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4 Ordinance against any member of the Governing Authority or officer of the Issuer or any person
5 executing the Bonds.

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

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

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

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

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

32 SECTION 11.11. Employment of Bond Counsel. It is recognized by this Governing
33 Authority that a real necessity exists for the employment of special bond counsel in connection with
34 the issuance of the Bonds and accordingly the employment of Foley & Judell, L.L.P., of New
35 Orleans, Louisiana, as special bond counsel to the Issuer to do and perform comprehensive legal
36 and co-ordinate professional work with respect to the issuance and sale of the Bonds, is hereby
37 ratified and confirmed. The fees to be paid said attorneys shall be in accordance with the Attorney
38 General's Guidelines for Fees and Services of Bond Attorneys, which fee for special bond counsel
39 shall not exceed the amount calculated in accordance with the Attorney General's Guidelines for
Comprehensive Legal Services in the issuance of general obligation bonds, plus out-of-pocket
expenses incurred in connection with the issuance of the Bonds. The fees herein described shall
be payable directly to special bond counsel by the Director of Finance of the Issuer from the funds
derived from the sale of said Bonds. Bond Counsel shall also assist in the preparation of an

4 Official Statement containing detailed and comprehensive financial and statistical data required
5 with respect to the sale of the Bonds and the costs of the preparation, printing and distribution of
6 such official statement shall be paid from the proceeds of the Bonds. Said Official Statement may
7 be submitted to such nationally recognized bond rating service or services as may be
8 recommended by bond counsel, together with a request that an appropriate rating be assigned. A
9 certified copy of this Bond Ordinance shall be submitted to the Attorney General of the State of
10 Louisiana for his written approval of said employment and of the fees herein designated.

11 **ARTICLE 12**

12 **OFFICIAL STATEMENT**

13 (3)

14 SECTION 12.1. Official Statement. The Issuer hereby approves the form and
15 content of the Preliminary Official Statement dated February 10, 2004, pertaining to the Bonds, as
16 submitted to the Issuer, and hereby ratifies its prior use in connection with the sale of the Bonds.
17 The Issuer further approves the form and content of the final Official Statement and hereby
18 authorizes and directs the execution by the Executive Officers and delivery of such final Official
19 Statement to the Underwriter for use in connection with the public offering of the Bonds.

20 **ARTICLE 13**

21 **REDEMPTION OF REFUNDED BONDS**

22 SECTION 13.1. Call for Redemption. The Refunded Bonds, as more fully
23 described in Exhibit A, are hereby called for redemption on March 30, 2004, at the principal
24 amount of each bond so redeemed, together with accrued interest to the call date, in compliance
25 with the ordinance authorizing their issuance.

26 SECTION 13.2. Notice of Redemption. In accordance with the resolution adopted
27 by the Governing Authority on February 17, 2004, a notice of redemption in substantially the form
28 attached hereto as Exhibit C, is hereby ratified and has been sent by the paying agent for the
29 Refunded Bonds to the registered owners of the Refunded Bonds as the same appear on the
30 registration books of said paying agent of such Refunded Bonds by means of first class mail
31 (postage prepaid), not less than thirty (30) days prior to the date fixed for redemption.

32 **ARTICLE 14**

33 **APPROVAL OF ORDINANCE**

34 SECTION 14.1. Introduction of Ordinance. This ordinance having been introduced
35 at a duly convened meeting on February 17, 2004, in compliance with a duly published agenda
36 item and notice of introduction hereof having been published once in the official journal of the
37 Issuer at least seven (7) days prior to the date of adoption hereof and having been duly adopted by
38
39

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4 the Slidell City Council on March 9, 2004, pursuant to a duly published agenda item, in compliance
5 with the provisions of the City Charter, this ordinance shall take effect immediately upon approval
6 by the Mayor of the City.

7
8 **ADOPTED** this 9th day of March, 2004.

9
10 **DELIVERED** 3/11/04
11 9:00 am to the Mayor

Elsie Burkhalter
12 Elsie Burkhalter
13 President of the Council
14 Councilwoman, District A

15 **RECEIVED** 3/12/04
16 10:10 am from the Mayor

Ben O. Morris
17 Ben O. Morris
18 Mayor

19 *Shawn B. McManus*

20 Shawn B. McManus
21 Clerk of the Council
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