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Introduced January 24, 1989 by  
Councilman Salvaggio, seconded by  
Councilman-at-Large Singletary

Amended by Ord. 2246 adopted 3/28/89

ITEM NO. 89-01-1327

**ORDINANCE NO. 2239**  
**BASIC BOND ORDINANCE**

An ordinance authorizing the issuance of (i) One Million One Hundred Thousand Dollars (\$1,100,000) of General Obligation Water Bonds, Series 1989A, (ii) One Million Nine Hundred Thousand Dollars (\$1,900,000) of General Obligation Sewer Bonds, Series 1989B and (iii) not exceeding Three Million Three Hundred Thousand Dollars (\$3,300,000) of General Obligation Refunding Bonds, Series 1989C, of the City of Slidell, State of Louisiana, prescribing the form, fixing the details and providing for the payment of principal of and interest on such bonds and for the rights of the owners thereof; providing for the application of the proceeds thereof pursuant to an election held on November 8, 1988 at which said bonds were authorized; and providing for other matters in connection therewith.

WHEREAS, the City of Slidell, State of Louisiana (the "Issuer") is authorized to borrow money and issue general obligation bonds payable from ad valorem taxes pursuant to the provisions of Sub-Part A, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and is further authorized to issue general obligation refunding bonds payable from ad valorem taxes pursuant to the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto; and

WHEREAS, pursuant to the provisions of Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, Sub-Part A, Part III, Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, and special elections held on November 4, 1980 and October 17, 1981, the results of which election were duly promulgated in accordance with law, the Issuer, acting through its governing authority, the Slidell City Council (the "City Council"), has heretofore issued \$1,900,000 aggregate principal amount of Drainage Improvement Bonds, Series 1982 (the "1982 Drainage Bonds") and \$1,780,000 of Sewerage Improvement Bonds, Series 1982 (the "1982 Sewerage Bonds"); and

WHEREAS, at an election held by the Issuer on Tuesday, November 8, 1988, the results of which election have been duly promulgated in accordance with law, the following issues of bonds of the Issuer were approved:

1. One Million One Hundred Thousand Dollars (\$1,100,000) of General Obligation Water Bonds, Series 1989A, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of acquiring and constructing additions and improvements to the waterworks system of the Issuer, along with the necessary sites and equipment therefor, title to which shall be in the public;
2. One Million Nine Hundred Thousand Dollars (\$1,900,000) of General Obligation Sewer Bonds, Series 1989B, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of acquiring and constructing additions and improvements to the sewer system of the Issuer, along with the necessary sites and equipment therefor, title to which shall be in the public; and
3. Not exceeding Three Million Three Hundred Thousand Dollars (\$3,300,000) of General Obligation Refunding Bonds, Series 1989C, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of refunding, extending and unifying outstanding general obligation bonds of the Issuer.

WHEREAS, the Issuer desires to issue the General Obligation Water Bonds, Series 1989A and the General Obligation Sewer Bonds, Series 1989B described above, for the purposes described above, and further desires to refund, extend and unify the 1982 Drainage Bonds and the 1982 Sewerage Bonds (collectively, the "Refunded Bonds"), through the issuance of the General Obligation Refunding Bonds, Series 1989C, described above; and

WHEREAS, in connection with the advance refunding of the Refunded Bonds, it is necessary that the City Council, as the governing authority of the Issuer, prescribe the form and content of an Escrow Deposit Agreement in order to provide for the payment of the Refunded Bonds upon the issuance of the Bonds, and to authorize the execution thereof as hereinafter provided; and

WHEREAS, it is further necessary to authorize the proceeds of the Series 1989C Bonds described herein, together with certain other funds of the Issuer, to be deposited in an Escrow Deposit Account pursuant to the aforesaid Escrow Deposit Agreement upon delivery of the Bonds and to provide for other matters in connection with the payment and redemption of the Refunded Bonds; and

WHEREAS, in connection with the issuance of the Bonds, it is necessary that provision be made for the payment of the principal and interest of the Refunded Bonds described in Exhibit A hereto, and the call for redemption of the Refunded Bonds, pursuant to a Notice of Call for Redemption;

NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council, acting as the governing authority of the City of Slidell, State of Louisiana, that:

#### ARTICLE I

#### DEFINITIONS AND INTERPRETATION

SECTION 101. Definitions. As used herein, the following terms shall have the following meanings unless the context otherwise requires:

"Act" shall mean, collectively, Article VI, Section 33 of the Constitution of the State of Louisiana of 1974, Sub-Part A, Part III, Chapter 4, Title 39 and Chapter 14-A, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto.

"Basic Bond Ordinance" shall mean this ordinance, which shall be supplemented by the Supplemental Bond Ordinance prior to the delivery of the Bonds.

"Bond" or "Bonds" shall mean, collectively, the Series 1989A Bonds, the Series 1989B Bonds and the Series 1989C Bonds issued pursuant to the Bond Ordinance, as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

"Bond Counsel" shall mean Jerry R. Osborne, Esq., New Orleans, Louisiana.

"Bond Obligation" shall mean, as of the date of computation, the principal amount of the Bonds then outstanding.

"Bond Ordinance" shall mean this Basic Bond Ordinance, as supplemented by the Supplemental Bond Ordinance and as it may be further amended and supplemented as herein provided.

"Bondholder", "Registered Owner", or "Owner" shall mean the person or entity reflected as owner of any of the Bonds on the registration books maintained by the Paying Agent.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal corporate trust office of the Paying Agent is located

are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

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

"Costs of Issuance" shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and an official statement, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safe-keeping 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 in connection with the original issuance of Bonds.

"Defeasance Obligations" shall mean (i) cash and (ii) Government Securities.

"Escrow Agent" shall mean Premier Bank, N.A., in the City of Shreveport, Louisiana, and its successor or successors, and any other person which may at any time be substituted in its place pursuant to the Bond Ordinance and the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Deposit Agreement with the Escrow Agent, to be dated as of March 1, 1989, in substantially the form attached hereto as Exhibit D, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

"Governing Authority" shall mean the Slidell City Council.

"Government Securities" shall mean direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

"Interest Payment Date" shall mean March 1 and September 1 of each year, commencing on September 1, 1989.

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

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

1. Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
2. Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with an escrow agent in trust for the owners of such Bonds as provided in Section 1201 hereof, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for to the satisfaction of the Paying Agent, or waived;
3. Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to the Bond Ordinance; and
4. Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Bond Ordinance or by law.

"Paying Agent" shall mean First National Bank of Commerce, in the City of New Orleans, Louisiana, as the initial Paying Agent, unless a successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.

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

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

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

"Refunded Bonds" shall mean those certain maturities of the Issuer's outstanding Drainage Improvement Bonds, Series 1982, and Sewerage Improvement Bonds, Series 1982, which are being refunded by the Series 1989C Bonds, which are described in Exhibit A hereto.

"Series 1989A Bonds" shall mean the \$1,100,000 of General Obligation Water Bonds, Series 1989A of the Issuer, authorized pursuant to the Bond Ordinance.

"Series 1989B Bonds" shall mean the \$1,900,000 of General Obligation Sewer Bonds, Series 1989B of the Issuer, authorized pursuant to the Bond Ordinance.

"Series 1989C Bonds" shall mean the not exceeding \$3,300,000 of General Obligation Refunding Bonds, Series 1989C of the Issuer, authorized pursuant to the Bond Ordinance.

"Supplemental Bond Ordinance" shall mean the ordinance or ordinances of the Governing Authority setting forth those matters described in Section 206 of this Basic Bond Ordinance, pursuant to which the final terms of the issuance and sale of the Bonds shall be determined, as amended and supplemented as herein provided.

"State" shall mean the State of Louisiana.

SECTION 102. Interpretation. In the Bond Ordinance, unless the context otherwise requires, (a) words importing the singular include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and (c) the title of the offices used in the Bond Ordinance shall be deemed to include any other title by which such office shall be known under any subsequently adopted charter.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 201. Authorization of Bonds. (a) This Ordinance creates three series of Bonds of the Issuer as follows:

1. One Million One Hundred Thousand Dollars (\$1,100,000) of General Obligation Water Bonds, Series 1989A, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of acquiring and constructing additions and improvements to the waterworks system of the Issuer, along with the necessary sites and equipment therefor, title to which shall be in the public;
2. One Million Nine Hundred Thousand Dollars (\$1,900,000) of General Obligation Sewer Bonds, Series 1989B, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of acquiring and constructing additions and improvements to the sewer system of the Issuer, along with the necessary sites and equipment therefor, title to which shall be in the public; and

3. Not exceeding Three Million Three Hundred Thousand Dollars (\$3,300,000) of General Obligation Refunding Bonds, Series 1989C, of the City of Slidell, State of Louisiana, authorized at an election held in said City on November 8, 1988, for the purpose of refunding, extending and unifying all of the Issuer's outstanding Drainage Improvement Bonds, Series 1982 and Sewerage Improvement Bonds, Series 1982;

and provides for the full and final payment of the principal or redemption price of and interest on all of the aforesaid series of Bonds.

(b) Provision having been made for the orderly payment until the redemption date of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Series 1989C Bonds under the Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer incident to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds, except to assure that the Refunded Bonds are paid from the funds so escrowed in accordance with the provisions of the Escrow Agreement.

(c) The Escrow Agreement is hereby approved by the Issuer and the Mayor of the Issuer and Clerk of the Council of the Issuer are hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the Issuer in substantially the form attached hereto as Exhibit D, with such changes, additions, deletions or completions deemed appropriate by such signing officials, and it is expressly provided and covenanted that all of the provisions for the payment of the principal of and interest on the Refunded Bonds from the special trust fund created under the Escrow Agreement shall be strictly observed and followed in all respects.

SECTION 202. Bond Ordinance to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of the Bond Ordinance shall be a part of the contract of the Issuer with the Owners thereof and shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time thereof. The provisions, covenants and agreements set forth herein and in the Supplemental Ordinance to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of such Bonds, each of which, regardless of the time or times of its issuance or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in the Bond Ordinance.

SECTION 203. Obligation of Bonds. The Bonds shall constitute general obligations of the Issuer, and the full faith and credit of the Issuer is hereby pledged for their payment and for the payment of all the interest thereon. The Issuer is bound under the terms and provisions of law and the Bond Ordinance to impose and collect annually, in excess of all other taxes, a tax on all the property subject to taxation within the territorial limits of the Issuer, sufficient to pay the principal of and interest on the Bonds falling due each year, said tax to be levied and collected by the same officers, in the same manner and at the same time as other taxes are levied and collected within the territorial limits of the Issuer. All ad valorem taxes levied by the Issuer in each year for the payment of the Bonds shall, upon their receipt, be transferred to the Issuer, which shall have responsibility for the deposit of such receipts and for the investment and reinvestment of such receipts and the servicing of the Bonds and any other general obligation bonds of the Issuer.

SECTION 204. Authorization and Designation. Pursuant to the provisions of the Act, there is hereby authorized the issuance of (i) \$1,100,000 principal amount of "General Obligation Water Bonds, Series 1989A", (ii) \$1,900,000 principal amount of "General Obligation Sewer Bonds, Series 1989B" and (iii) not exceeding \$3,300,000 principal amount of "General Obligation Refunding Bonds, Series 1989C" of the Issuer, for the purposes set forth in Section 201(a) of this Basic Bond Ordinance. The Bonds shall be in substantially the form set forth in Exhibit B hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Bond Ordinance.

The City Council hereby finds and determines that upon the issuance of the Bonds, the total outstanding amount of general obligation bonds of the Issuer issued and considered to be outstanding will not exceed the Issuer's general obligation bond limit.

SECTION 205. Certain Provisions of the Bonds. The Bonds will be in fully registered form, will be dated March 1, 1989, will be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof, and will bear interest from the date thereof or the most recent interest payment date to which interest has been paid or duly provided for at a rate or rates not exceeding twelve per centum (12%) per annum on any Bond in any interest payment period (said interest rates to be determined in the Supplemental Bond Ordinance), said interest to be payable semiannually on March 1 and September 1 of each year, commencing September 1, 1989. The Series 1989A Bonds shall be numbered consecutively from No. AR-1 upwards; the Series 1989B Bonds shall be numbered consecutively from No. BR-1 upwards; and the Series 1989C Bonds shall be numbered consecutively from No. CR-1 upwards. The Bonds shall be in fully registered form, and shall mature serially on March 1 of each year as follows, to-wit:

<u>YEAR (MARCH 1)</u>	<u>SERIES 1989A BONDS</u>	<u>SERIES 1989B BONDS</u>	<u>SERIES 1989C BONDS</u>
1990	\$ 25,000	\$ 40,000	\$ 70,000
1991	25,000	40,000	75,000
1992	25,000	45,000	80,000
1993	30,000	50,000	90,000
1994	30,000	55,000	95,000
1995	35,000	60,000	105,000
1996	35,000	65,000	110,000
1997	40,000	70,000	120,000
1998	45,000	75,000	130,000
1999	50,000	80,000	140,000
2000	50,000	90,000	155,000
2001	55,000	95,000	170,000
2002	60,000	105,000	180,000
2003	65,000	115,000	195,000
2004	70,000	125,000	215,000
2005	75,000	135,000	230,000
2006	85,000	145,000	250,000
2007	90,000	155,000	275,000
2008	100,000	170,000	295,000
2009	110,000	185,000	320,000

In the event that on the date of sale of the Bonds, the Issuer determines that less than \$3,300,000 principal amount of the Series 1989C Bonds are necessary to accomplish the refunding, extending and unifying of outstanding general obligation bonds of the Issuer, the Issuer shall reduce the aggregate principal amount of the Series 1989C Bonds actually sold and issued in \$5,000 increments from each maturity of the Series 1989C Bonds, in inverse order of maturity, as shall be set forth in the Supplemental Bond Ordinance. For example, if the Issuer determines that \$3,200,000 of Series 1989C Bonds shall be sufficient for the aforesaid purposes, then one \$5,000 bond shall be eliminated from each maturity of the Series 1989C Bonds; if \$3,150,000 of Series 1989C Bonds shall be sufficient for the aforesaid purposes, then one \$5,000 bond shall be eliminated from each of the 1990-1999 maturities of the Series 1989C Bonds and two \$5,000 bonds (\$10,000) shall be eliminated from each of the 2000 to 2009 maturities of the Series 1989C Bonds.

The principal and premium, if any, of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check or draft mailed on or before the Interest Payment

Date by the Paying Agent to the Registered Owner thereof (determined as of the close of business on the Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose.

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

The person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

SECTION 206. Details of Bonds. At the date of sale of the Bonds, as provided in the resolution of the Governing Authority on January 24, 1989, authorizing the advertising for sealed bids for the Bonds, certain details of the Bonds shall be set forth in the Supplemental Bond Ordinance which shall provide for, without limitation:

- (a) the total aggregate principal amount of the Series 1989C Bonds, which shall not exceed \$3,300,000;
- (b) the final principal amount of the several serial maturities of the Series 1989C Bonds;
- (c) the interest rates for the several serial maturities of the Bonds, which shall consist of a single fixed interest rate not to exceed 12% for each serial maturity;
- (d) the sale of the Bonds to the purchasers thereof, including the specific terms of the sale;
- (e) provisions for the purchase of any municipal bond insurance policy; and
- (f) such other matters as may be deemed necessary or convenient by the Issuer in connection with the issuance of the Bonds.

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 301. Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in the Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer, or by the Owners (or a designated representative thereof) of 15% of the outstanding Bond Obligation.

The Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds of the same series will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds must be in the denomination of \$5,000 for

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

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

**SECTION 302. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion authorize the issuance and delivery of a new Bond of the same series, maturity, rate and principal amount, in exchange for and substitution for such mutilated or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner furnishing the Issuer proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer, upon his giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer and the Paying Agent may require, upon his compliance with such other reasonable regulations and conditions as the Issuer and the Paying Agent may prescribe and upon his paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 304 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same upon being indemnified as aforesaid, and 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:

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

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

**SECTION 303. Preparation of Definitive Bonds, Temporary Bonds.** Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 305, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations, one or more temporary typewritten Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds.

**SECTION 304. Cancellation of Bonds.** All Bonds paid or redeemed either at or before maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Secretary of the Governing Authority an appropriate certificate of cancellation.



SECTION 305. Execution. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the Mayor of the Issuer and attested by the manual or facsimile signature of the Clerk of the Council of the Governing Authority, and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such persons as at the actual time of the execution of such Bond shall be duly authorized or hold the proper office of the Governing Authority, although at the date of the Bonds such person may not have been so authorized or have held such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

SECTION 306. Registration by Secretary of State. The Bonds shall be registered with the Secretary of State of Louisiana and shall bear the endorsement of the Secretary of State of Louisiana substantially in the form set forth in Exhibit B hereto, provided such endorsement shall be manually signed only on the Bonds initially delivered to the initial purchasers, and any Bonds subsequently exchanged therefor as permitted in the Bond Ordinance may bear the facsimile signature of said Secretary of State.

SECTION 307. Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under the Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth in Exhibit B hereto shall have been duly executed on behalf of the Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under the Bond Ordinance.

#### ARTICLE IV

#### APPLICATION OF PROCEEDS

SECTION 401. Application of Bond Proceeds and Accrued Interest.  
(a) Upon the delivery of the Bonds, the amount, if any, received as accrued interest shall be applied by the Issuer to pay interest falling due on the respective series of Bonds on the first Interest Payment Date.

(b) The proceeds of the Series 1989A Bonds and the Series 1989B Bonds shall be deposited in special construction funds to be established by the Issuer, and expended by the Issuer for the authorized purposes of such Bonds and to pay the Costs of Issuance of such Bonds.

(c) The proceeds of the Series 1989C Bonds, together with any other additional funds which may be provided by the Issuer, shall be deposited in the escrow fund to be established pursuant to the Escrow Agreement, for the purpose of advance refunding the Refunded Bonds. The proceeds and other moneys and/or securities so deposited in the Escrow Fund, together with the interest earned from the investment thereof, shall be sufficient to pay the principal of, premium and interest on the Refunded Bonds as the same mature or are redeemed and become due, and the Costs of Issuance of the Series 1989C Bonds.

#### ARTICLE V

#### PAYMENT OF BONDS

SECTION 501. Deposit of Funds With Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from

the moneys derived from the collection of the taxes levied for the payment of the Bonds or other funds available for such purpose, at least one Business Day in advance of the date on which payment of principal and interest falls due on the Bonds, funds fully sufficient to pay promptly such payments so falling due on such date.

## ARTICLE VI

### REDEMPTION OF BONDS

SECTION 601. Redemption of Bonds. Those Bonds of any series maturing March 1, 2000 and thereafter, will be callable for redemption by the Issuer on or after March 1, 1999, in whole at any time, or in part on any interest payment date in the inverse order of their maturities within each series, at the principal amount thereof and accrued interest to the date fixed for redemption. The Issuer may redeem bonds of any series in the manner provided in the preceding sentence without the necessity of redeeming bonds of any other series. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed.

SECTION 602. Notice to Paying Agent. In the case of any redemption of Bonds, the Issuer shall give written notice to the Paying Agent of the election so to redeem and the redemption date, in the case of optional redemption, and of the principal amounts to be redeemed. Such notice shall be given at least forty-five (45) days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 604, the Issuer shall, at least one Business Day prior to the redemption date, deposit moneys available therefor with the Paying Agent in an amount in cash which, in addition to other amounts, if any, available therefor held by the Paying Agent will be sufficient to redeem on the redemption date at the redemption price thereof together with accrued interest to the redemption date, all of the Bonds to be redeemed.

On or before any redemption date the Paying Agent shall segregate and hold in the trust the funds furnished by the Issuer for the payment of the Bonds or portions thereof called, together with accrued interest thereon to the redemption date. No payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Paying Agent shall have received the items required by Section 302 with respect to any mutilated, lost, stolen or destroyed Bond.

Upon surrender of any Bond for redemption in part only, the Paying Agent shall register and deliver to the Owner thereof a new Bond or Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 603. Selection of Bonds to be Redeemed by Lot. In the event of redemption of less than all the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

SECTION 604. Notice of Redemption. Official notice of such call of any of the Bonds for redemption will be given by mailing a copy of the redemption notice by first-class mail not less than thirty (30) days prior to the redemption date addressed to the registered owner of each bond to be redeemed at his address as shown on the registration books of the Paying Agent. Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds. All notices of redemption shall state (i) the redemption date; (ii) the redemption price; (iii) the CUSIP numbers of the Bonds to be redeemed, and if less than all the Bonds are to be redeemed, the identifying number (and in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable on each such Bond and interest thereon will cease to accrue thereon from and after said date; and (v) the place where such Bonds are to be surrendered for payment. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Bonds receives the notice.

SECTION 605. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 604, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds or portions thereof shall be paid at the redemption price plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds, together with interest accrued to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

SECTION 606. Purchase of Bonds. The Paying Agent shall endeavor to apply any moneys furnished by the Issuer for the redemption of Bonds (but not committed to the redemption of Bonds as to which notice of redemption has been given) to the purchase of appropriate outstanding Bonds. Any Bonds so purchased may be applied against any required redemption of Bonds. In accordance with Section 304, any Bonds so purchased shall be cancelled. The price paid by the Paying Agent (excluding accrued interest, but including any brokerage or other charges) for any Bond purchased pursuant to this Section shall not exceed the face amount thereof; the Paying Agent shall also pay (from moneys furnished by the Issuer) accrued interest on any such Bond. Subject to the above limitations, the Paying Agent, at the direction of the Issuer, shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) with monies made available by the Issuer for such purpose, provided, however, that the Paying Agent shall not expend amounts for the purchase of Bonds of a particular maturity in excess of the amount that would otherwise be expended for the redemption of Bonds of such maturity, and, provided further, that the Issuer may, in its discretion, direct the Paying Agent to advertise for tenders for the purchase of Bonds sixty (60) days prior to any date for redemption of Bonds.

## ARTICLE VII

### PARTICULAR COVENANTS

SECTION 701. Obligations of the Issuer in Connection with the Issuance of the Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to:

(a) Use or cause to be used as hereafter provided the proceeds derived from the sale of the Bonds (including any premium, but exclusive of accrued interest), together with other moneys provided by the Issuer, for the purposes for which the Bonds are authorized to be issued pursuant to the aforesaid election of November 8, 1988;

(b) Deposit irrevocably in trust with the Escrow Agent under the terms and conditions of the Escrow Agreement, as hereinafter provided, an amount of the proceeds derived from the issuance and sale of the Series 1989C Bonds (exclusive of accrued interest), together with other moneys provided by the Issuer, as will enable the Escrow Agent to immediately purchase non-callable direct general obligations of the United States of America described in said Escrow Agreement, which, together with an initial cash deposit and/or other moneys and securities described therein, shall mature in principal and interest in such a manner as to provide at least the required cash amount on or before each payment date for the Refunded Bonds (said amounts being necessary on each of the designated dates to pay and retire or redeem as described in Subsection (a) above the Refunded Bonds). Prior to or concurrently with the delivery of the Series 1989C Bonds, the Issuer shall obtain an independent mathematical verification that the moneys and obligations required to be irrevocably deposited in trust in the Escrow Fund with the Escrow Agent, together with the earnings to accrue thereon, will always be sufficient for the payment of the principal of and interest on the Refunded Bonds as provided above in Section 401 hereof; and

(c) Apply sufficient proceeds of the Bonds to pay all Costs of Issuance and the costs properly attributable to the establishment and administration of the Escrow Fund.

**SECTION 702. Payment of Bonds.** The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

## ARTICLE VIII

### SUPPLEMENTAL ORDINANCES

**SECTION 801. Supplemental Ordinances Effective Without Consent of Bondholders.** For any one or more of the following purposes and at any time from time to time, a ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent of a certified copy thereof, but without any consent of Bondholders, shall be fully effective in accordance with its terms:

- (a) to add to the covenants and agreements of the Issuer in the Bond Ordinance other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect;
- (b) to add to the limitations and restrictions in the Bond Ordinance other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect;
- (c) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the Bond Ordinance, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Bond Ordinance;
- (d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Bond Ordinance;
- (e) to insert such provisions clarifying matters or questions arising under the Bond Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Bond Ordinance as theretofore in effect; or
- (f) to provide for the matters specified in Section 206 hereof.

**SECTION 802. Supplemental Ordinances Effective With Consent of Bondholders.** Except as provided in Section 801, any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the owners of the Bonds hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the owners of a majority of the Bond Obligation at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or in the rate of interest thereon without the consent of the owner of such Bond, or shall reduce the percentage of Bonds the consent of the owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy taxes for the payment of the Bonds as provided herein, without the consent of the owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of either the Paying Agent or the Escrow Agent without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of the Bond Ordinance if the same adversely affects or diminishes the rights of the owners of said Bonds. A supplemental ordinance, upon the filing with the Paying Agent of a certified copy thereof, shall become fully effective in accordance with its terms.

ARTICLE IX  
TAX COVENANTS

SECTION 901. Tax Covenants. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (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."

The Mayor of the Issuer and the Clerk of the Council of the Governing Authority, are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

ARTICLE X  
REMEDIES ON DEFAULT

SECTION 1001. Events of Default. If one or more of the following events (in the Bond Ordinance called "Events of Default") shall happen, that is to say,

- (a) if default shall be made in the due and punctual payment of the principal or redemption price of any Bond when and as the same shall become due and payable, whether at maturity or upon call for redemption, or otherwise; or
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond, when and as such interest installment shall become due and payable; or
- (c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Ordinance, any ordinance supplemental hereto or in the Bonds contained, and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the owners of not less than 25% of the Bond Obligation; or
- (d) if the Issuer shall file a petition or otherwise seek relief under any Federal or Louisiana bankruptcy law or similar law;

then, upon the happening and continuance of any Event of Default the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made in the Act or in any provision of applicable law.

ARTICLE XI  
CONCERNING FIDUCIARIES

SECTION 1101. Escrow Agent; Appointment and Acceptance of Duties. Premier Bank, N.A., in the City of Shreveport, Louisiana, is hereby appointed Escrow Agent. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the Bond Ordinance, by executing and delivering the Escrow Agreement. The Escrow Agent is authorized to file, on behalf of the Issuer, any required subscription forms to purchase the Government Obligations necessary to defease the Refunded Bonds.

**SECTION 1102. Paying Agent; Appointment and Acceptance of Duties.** The Issuer will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Ordinance by executing and delivering to the Issuer a written acceptance thereof. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of a ordinance or ordinance giving notice of the termination of the agreement and appointing a successor and (b) causing notice to be given to each Registered Owner. Every Paying Agent appointed hereunder shall at all times be a bank organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority.

## ARTICLE XII

### MISCELLANEOUS

**SECTION 1201. Defeasance.** (a) If the Issuer shall pay or cause to be paid to the Owners of all Bonds then outstanding the principal and interest and redemption price, if any, to become due thereon, at the times and in the manner stipulated therein and in the Bond Ordinance, then the covenants, agreements and other obligations of the Issuer to the Bondholders shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Bond Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Bonds or interest payments for the payment or redemption of which Defeasance Obligations shall have been set aside and shall be held in trust by the Paying Agent or an escrow agent (through deposit by the Issuer of funds for such payment or redemption or otherwise) at a maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Any Bond shall, prior to maturity or the redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if (i) in case such Bond is to be redeemed on any date prior to its maturity, the Issuer shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption as provided in Article VI of the Bond Ordinance on said date of such Bond, (ii) there shall have been deposited with the Paying Agent or an escrow agent Defeasance Obligations, in the amounts and having such terms as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or applicable redemption price thereof, together with all accrued interest, and (iii) the adequacy of the Defeasance Obligations so deposited to pay when due the principal or applicable redemption price and all accrued interest shall have been verified by an independent certified public accountant. Neither Defeasance Obligations deposited with the Paying Agent pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations deposited with the Paying Agent shall, if permitted, and to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

**SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds.** (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall

be sufficient for any purpose of the Bond Ordinance (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

- (1) the fact and date of the execution by any Bondholder or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority;
- (2) the ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books.

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

SECTION 1203. Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

SECTION 1204. Parties Interested Herein. Nothing in the Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent and the owners of the Bonds and the Refunded Bonds, any right, remedy or claim under or by reason of the Bond Ordinance or any covenant, condition or stipulation thereof; 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 1205. 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 the Bond Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION 1206. Successors and Assigns. Whenever in the Bond Ordinance the Issuer is named or referred to, it shall be deemed to include its respective successors and assigns and all the covenants and agreements in the Bond Ordinance contained by or on behalf of the Issuer shall bind and enure to the benefit of its respective successors and assigns whether so expressed or not.

SECTION 1207. Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or Owners thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the Owner or Owners of the Refunded Bonds.

SECTION 1208. Severability. In case any one or more of the provisions of the Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Ordinance or of the Bonds, but the Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of the Bond Ordinance which validates or makes legal any provision of the

Bond Ordinance or the Bonds, which would not otherwise be valid or legal shall be deemed to apply to the Bond Ordinance and the Bonds.

SECTION 1209. Publication of Ordinance. This ordinance shall be published one time in "The Daily Sentry News," the official journal of the Issuer.

SECTION 1210. Peremption. For thirty days after the date of publication of the Bond Ordinance as provided in Section 1209, any person in interest may contest the legality of the Bond Ordinance, any provision of the Bonds, the provisions herein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of the Bond Ordinance, any provisions of the Bonds, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

SECTION 1211. Execution of Documents. In connection with the issuance and sale of the Bonds, the Mayor and the Director of Finance of the Issuer and the Clerk of the Council of the Governing Authority are each authorized, empowered and directed to execute on behalf of the Governing Authority such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by the Bond Ordinance.

SECTION 1212. Employment of Bond Counsel. The Issuer hereby employs Jerry R. Osborne, Esq., as Special Bond Counsel, with respect to the authorization, issuance, sale and delivery of the Bonds of the Issuer. The fee of said special bond counsel in connection with the issuance of the aforesaid bonds of the Issuer is hereby fixed at a sum not to exceed (a) the fee allowed by the Attorney General's fee guidelines for comprehensive legal work in the issuance of general obligation bonds, in the case of the Series 1989A and Series 1989B Bonds and (b) the fee allowed by the Attorney General's fee guidelines for comprehensive legal work in the issuance of revenue bonds, in the case of the Series 1989C Bonds, all based on a percentage of the amount of said Bonds actually issued, sold, delivered and paid for, plus out-of-pocket expenses, said fee to be payable solely out of the funds derived from the sale of the Bonds and to be contingent upon the issuance, sale and delivery of the Bonds. Bond Counsel shall also assist in the preparation of an official statement containing detailed and comprehensive financial and statistical data required with respect to the sale of the Bonds and the cost of the preparation and printing of such official statement shall be paid from the proceeds of the Bonds. Said official statement shall be submitted to such nationally recognized bond rating service or services as may be recommended by bond counsel, together with a request that an appropriate rating be assigned. Payment for all ratings shall be made by the Director of Finance upon presentation of appropriate statements from the particular rating services furnishing the ratings.

A certified copy of this ordinance shall be submitted to the Attorney General of the State of Louisiana for his written approval of the employment of Special Bond Counsel and of the fee herein designated, and the Director of Finance is hereby empowered and directed to issue a voucher to said special bond counsel in payment of the fee herein provided for under the conditions herein enumerated.

SECTION 1213. Bonds are "Qualified Tax-Exempt Obligations." The Bonds are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer finds and determines that:

- (a) the Bonds are not "private activity bonds" within the meaning of the Code; and



- (b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Issuer and all subordinate entities in calendar year 1988 does not exceed \$10,000,000.

ARTICLE XIII

REDEMPTION OF CERTAIN PRIOR BONDS

SECTION 1301. Call for Redemption. Subject to the adoption of the Supplemental Bond Ordinance and the delivery of the Series 1989C Bonds, \$1,110,000 principal amount of the Issuer's Drainage Improvement Bonds, Series 1982, and \$1,060,000 principal amount of the Issuer's Sewerage Improvement Bonds, Series 1982, all maturing March 1, 1993 to March 1, 2002, inclusive, as described in Exhibit A hereto, are hereby called for redemption on March 1, 1992 at the principal amount thereof plus accrued interest to the call date, plus a premium in the amount of 2% of the principal amount to be redeemed. Said call for redemption shall become irrevocable upon delivery of the Series 1989C Bonds to the initial purchasers thereof. Subject to delivery of the Series 1989C Bonds to the initial purchasers thereof, the Escrow Agent and/or Paying Agent for the Refunded Bonds are authorized and directed to cause to be published and mailed a Notice of Defeasance and Redemption in substantially the form attached hereto as Exhibit C.

ARTICLE XIV

INTRODUCTION OF ORDINANCE

SECTION 1501. Introduction of Ordinance. This Ordinance having been introduced at a duly convened meeting on January 24, 1989, in compliance with a duly published agenda item and notice of introduction hereof having been published once in the official journal of the City at least seven (7) days prior to the date of adoption hereof and having been duly adopted by the Slidell City Council on February 28, 1989, pursuant to a duly published agenda item, in compliance with the provisions of the City Charter, this Ordinance shall take effect immediately upon approval by the Mayor of the City.

ADOPTED THIS 28th DAY OF February, 1989.

DELIVERED 3/2/89 1:30 p.m.  
to the Mayor  
3/7/89  
RECEIVED 11:00 A.M.  
from the Mayor

Philip M. Salvaggio  
Councilman, District 4  
President of the Council  
James H. ...  
Mayor, City of Slidell

Doris ...  
Council Administrator/  
Clerk of the Council