

ORDINANCE # 2011-21
INTRODUCED BY Alexius
DATE INTRODUCED 8/2/11
ITEM NUMBER 2011-08-06
PUBLIC HEARING 9/6/11
ADOPTED/TABLED 9/6/11 (as amended)
EFFECTIVE 9/9/11
BOOK # PAGE #
RECORDATION #

ADOPTION

INTRODUCTION

AMENDED

AMENDED BY ORDINANCE the following ordinance having been introduced at a regular meeting held on September
DATE AMENDED 2011, notice of introduction having been published in the official journal, was offered for
adoption, as amended, by CONER and seconded by WRIGHT.

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CITY OF COVINGTON
ORDINANCE NO. 2011-21

An ordinance providing for the issuance and sale of General Obligation Refunding Bonds, Series 2011, of the City of Covington, State of Louisiana, prescribing the form, fixing the details and providing for the rights of the owners thereof; providing for the payment of the principal of and interest on such bonds and the application of the proceeds thereof to the refunding of certain bonds of said City; awarding said bonds to the purchaser thereof; and providing for other matters in connection therewith.

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, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, and a special election held on July 21, 2001, the result of which was duly promulgated in accordance with law, the City of Covington, State of Louisiana (the "Issuer"), acting through its governing authority, the City Council of the City of Covington, State of Louisiana (the "Governing Authority"), issued \$1,240,000 of General Obligation Bonds, Series 2002, of which \$805,000, maturing serially on March 1 of the years 2012 to 2021, inclusive, is outstanding (the "2002 Bonds"); and

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

WHEREAS, the Issuer has found and determined that the refunding of the 2002 Bonds which mature on March 1 of the years 2013 to 2021, inclusive (the "Refunded Bonds"), would be financially advantageous to the Issuer and would result in a lower effective interest rate on such Refunded Bonds and debt service savings to the Issuer; and

WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this Governing Authority to provide for the issuance of Seven Hundred Seventy-Seven Thousand Dollars (\$777,000) principal amount of its General Obligation Refunding Bonds, Series 2011, of the Issuer (the "Bonds"), for the purpose of refunding the Refunded Bonds, to fix the details of the Bonds and to sell the Bonds to the purchaser thereof; and

WHEREAS, it is necessary that this Governing Authority prescribe the form and content of the Escrow Deposit Agreement providing for the payment of the principal, premium, if any, and interest on the Refunded Bonds and authorize the execution thereof as hereinafter provided; 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 to provide for the call for redemption of the Refunded Bonds, pursuant to a Notice of Redemption; and

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

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

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ARTICLE 1

DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions. In addition to the terms defined in the preambles hereto, the following terms shall have the following meanings unless the context otherwise requires:

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

"Bond" or "Bonds" shall mean any or all of the General Obligation Refunding Bonds, Series 2011, of the Issuer, issued pursuant to the 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.

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

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

"Escrow Agent" shall mean Argent Trust, a division of National Independent Trust Company, in the City of Ruston, 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.

"Escrow Agent Agreement" shall mean the Escrow Deposit Agreement dated as of November 2, 2011, between the Issuer and the Escrow Agent, substantially in the form attached hereto as Exhibit E, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

"Executive Officers" shall mean, collectively, the Mayor of the Issuer and the Clerk of the Governing Authority.

"Interest Payment Date" shall mean March 1 and September 1 of each year, commencing March 1, 2012.

"Ordinance" or "Bond Ordinance" shall mean this Ordinance, as it may be amended and supplemented as herein provided.

"Owner" or "Owners" shall mean the Person or Persons reflected as registered owners of any of the Bonds on the registration books maintained by the Paying Agent.

"Paying Agent" shall mean Capital One Bank, in the City of New Orleans, Louisiana, as paying agent and registrar hereunder, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the 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.

"Purchaser" shall mean Capital One Public Funding, LLC, in the City of Melville, New York.

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

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5 **"Refunded Bonds"** shall mean \$745,000 of the Issuer's General Obligation Bonds,
6 Series 2002, consisting of all the bonds of that issue which mature March 1, 2013 through March
7 1, 2021, inclusive, which are being refunded by the Bonds, as more fully described in Exhibit A
8 hereto.

9
10 **"State"** shall mean the State of Louisiana.
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12 ARTICLE 2

13 AUTHORIZATION AND ISSUANCE OF BONDS

14 SECTION 2.1. Authorization of Bonds; Refunding of Refunded Bonds.

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17 (a) This Ordinance creates a series of Bonds of the Issuer to be designated "General
18 Obligation Refunding Bonds, Series 2011, of the City of Covington, State of Louisiana" and
19 provides for the full and final payment of the principal and interest on all the Bonds.
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23 (b) The Bonds issued under this Ordinance shall be issued for the purpose of
24 refunding the Refunded Bonds and paying the costs of issuance of the Bonds through the escrow
25 of a portion of the proceeds of the Bonds, together with additional moneys provided by the
26 Issuer, in Defeasance Obligations, in accordance with the terms of the Escrow Agreement, in
27 order to provide for the payment of the principal of, premium, if any, and interest on the
28 Refunded Bond as they mature or upon earlier redemption as provided in this Bond Ordinance.
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30 (c) Provision having been made for the orderly redemption of all the Refunded Bonds
31 on the delivery date of the Bonds, in accordance with their terms, it is hereby recognized and
32 acknowledged that as of the date of delivery of the Bonds under this Ordinance, provision will
33 have been made for the performance of all covenants and agreements of the Issuer incidental to
34 the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the
35 Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds,
36 except to assure that the Refunded Bonds are paid from the Defeasance Obligations and funds so
37 escrowed in accordance with the provisions of the Escrow Agreement.
38

39 (d) The Escrow Agreement is hereby approved by the Issuer and the Executive
40 Officers are hereby authorized and directed to execute and deliver the Escrow Agreement on
41 behalf of the Issuer substantially in the form of Exhibit E hereof, with such changes, additions,
42 deletions or completions deemed appropriate by such signing officials, and it is expressly
43 provided and covenanted that all of the provisions for the payment of the principal of, premium,
44 if any, and interest on the Refunded Bonds from the special trust fund created under the Escrow
45 Agreement shall be strictly observed and followed in all respects.
46

47 SECTION 2.2. Ordinance to Constitute Contract. The provisions of this Ordinance shall
48 be a part of the contract of the Issuer with the Owners of the Bonds and shall be deemed to be
49 and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds.
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51 SECTION 2.3. Obligation of Bonds. The Bonds shall constitute general obligations of
52 the Issuer, and the full faith and credit of the Issuer is hereby pledged for their payment and for
53 the payment of all the interest thereon. The Issuer is bound under the terms and provisions of
54 law and this Ordinance to impose and collect annually, in excess of all other taxes, a tax on all
55 the property subject to taxation within the territorial limits of the Issuer, sufficient to pay the
56 principal of and interest on the Bonds falling due each year, said tax to be levied and collected by
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1 the same officers, in the same manner and at the same time as other taxes are levied and
2 collected within the territorial limits of the Issuer. All ad valorem taxes levied by the Issuer in
3 each year for the payment of the Bonds shall, upon their receipt, be transferred to this Governing
4 Authority, which shall have responsibility for the deposit of such receipts and for the investment
5 and reinvestment of such receipts and the servicing of the Bonds and any other general
6 obligation bonds of the Issuer.

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8 SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the Act,
9 there is hereby authorized the issuance of Seven Hundred Seventy-Seven Thousand Dollars
10 (\$777,000) principal amount of Bonds of the Issuer to be designated "General Obligation
11 Refunding Bonds, Series 2011, of the City of Covington, State of Louisiana," for the purpose of
12 refunding the Refunded Bonds and paying the costs of issuance. The Bonds shall be in
13 substantially the form set forth as Exhibit B hereto, with such necessary or appropriate
14 variations, omissions and insertions as are required or permitted by the Act and this Ordinance.

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

19
20 SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds are issuable as
21 fully registered bonds in the denominations corresponding to the principal amount of each
22 maturity (one bond per maturity), and shall be numbered from R-1 upward. The Bonds shall be
23 dated the date of delivery, shall bear interest from the date thereof or from the most recent
24 Interest Payment Date to which interest has been paid or duly provided for, payable semi-
25 annually on each Interest Payment Date, commencing March 1, 2012, at the following rates of
26 interest and shall mature serially on March 1 of each year as follows:

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DATE	PRINCIPAL	INTEREST
<u>(MARCH 1)</u>	<u>INSTALLMENT</u>	<u>RATE</u>
2012	\$10,000	2.09%
2013	71,000	2.09
2014	75,000	2.09
2015	80,000	2.09
2016	79,000	2.09
2017	83,000	2.09
2018	87,000	2.09
2019	91,000	2.09
2020	99,000	2.09
2021	102,000	2.09

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41 The principal of the Bonds is payable in such coin or currency of the United States of
42 America at the time of payment is legal tender for payment of public and private debts at the
43 principal corporate trust office of the Paying Agent, upon presentation and surrender thereof.
44 Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the
45 Paying Agent to the Owner (determined as of the close of business on the Record Date) at the
46 address of such Owner as it appears on the registration books of the Paying Agent maintained for
47 such purpose.

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

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

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5 **ARTICLE 3**
6 **GENERAL TERMS AND PROVISIONS OF THE BONDS**

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8 SECTION 3.1. Bond Register. The Issuer shall cause to be kept at the principal
9 corporate office of the Paying Agent a register (the "Bond Register") in which registration of the
10 Bond and transfers thereof shall be made as provided herein. The Bond may be transferred,
11 registered and assigned only on the Bond Register of the Paying Agent, and such registration
12 shall be at the expense of the Issuer. No transfer shall be valid unless made in the Bond Register
13 and similarly noted on the back of the Bond.

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15 SECTION 3.2. Cancellation of Bonds. Upon payment in full, the Bond shall be promptly
16 cancelled by the Paying Agent. The Paying Agent shall promptly furnish to the Secretary of the
17 Governing Authority an appropriate certificate of cancellation.

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19 SECTION 3.3. Execution. The Bonds shall be executed in the name and on behalf of the
20 Issuer by the manual or facsimile signatures of the Executive Officers, and the corporate seal of
21 the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise
22 reproduced thereon.

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24 SECTION 3.4. Registration by Secretary of State. The Bond shall be registered with the
25 Secretary of State of the State of Louisiana and shall bear the endorsement of the Secretary of
26 State of the State of Louisiana substantially in the form set forth in Exhibit B hereto, provided
27 such endorsement shall be manually signed only on the Bond initially delivered to the Purchaser.
28 Any replacement Bond as permitted by State law may bear the facsimile signature of said
29 Secretary of State.

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31 SECTION 3.5. Registration by Paying Agent. No Bond shall be valid or obligatory for
32 any purpose or entitled to any security or benefit under this Ordinance unless and until a
33 certificate of registration on such Bond substantially in the form set forth in Exhibit B hereto
34 shall have been duly executed on behalf of the Paying Agent by a duly authorized signatory, and
35 such executed certificate of the Paying Agent upon such Bond shall be conclusive evidence that
36 such Bond has been executed, registered and delivered under this Ordinance.

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38 **ARTICLE 4**
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40 **SINKING FUND; PAYMENT OF BONDS**

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42 SECTION 4.1. Sinking Fund.

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44 (a) For the payment of the principal of and the interest on the Bonds, the Issuer will
45 maintain a special fund, to be held by the regularly designated fiscal agent of the Issuer (the
46 "Sinking Fund"), into which the Issuer will deposit the proceeds of the aforesaid tax described in
47 Section 2.3 hereof and interest earnings thereon). The depository for the Sinking Fund shall
48 transfer from the Sinking Fund to the Paying Agent at least three (3) days in advance of each
49 Interest Payment Date, funds fully sufficient to pay promptly the principal and interest falling
50 due on such date.

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52 (b) All moneys deposited with the regularly designated fiscal agent bank or banks of
53 the Issuer or the Paying Agent under the terms of this Ordinance shall constitute sacred funds for
54 the benefit of the Owner and shall be secured by said fiduciaries at all times to the full extent
55 thereof in the manner required by law for the securing of deposits of public funds.

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57 (c) All or any part of the moneys in the Sinking Fund shall, at the written request of
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1 the Issuer, be invested in accordance with the provisions of the laws of the State in which event
2 all income derived from such investments shall be added only to the Sinking Fund.

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4 SECTION 4.2. Payment of Bonds. The Issuer shall duly and punctually pay or cause to
5 be paid as herein provided the principal of and interest on the Bond as the same fall due and at
6 the place and in the manner stated in the Bond.

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8 **ARTICLE 5**

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10 **APPLICATION OF BOND PROCEEDS**

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12 SECTION 5.1. Application of Bond Proceeds. As a condition of the issuance of the
13 Bonds, the Issuer hereby binds and obligates itself to:

14
15 Deposit irrevocably in trust with the Escrow Agent under the terms and conditions of the
16 Escrow Agreement, as hereinafter provided, an amount of the proceeds derived from the
17 issuance and sale of the Bonds (exclusive of accrued interest), together with additional moneys
18 provided by the Issuer (if any), as will enable the Escrow Agent to immediately purchase the
19 Defeasance Obligations described in the Escrow Agreement, which shall mature in principal and
20 interest in such a manner as to provide at least the required cash amount on or before each
21 payment date for the Refunded Bonds (said amounts being necessary on each of the designated
22 dates to pay and retire or redeem the Refunded Bonds, including premiums, if any, payable upon
23 redemption). The moneys so deposited with the Escrow Agent shall constitute a trust fund
24 irrevocably dedicated for the use and benefit of the Refunded Bonds.

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26 **ARTICLE 6**

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28 **REDEMPTION OF BONDS**

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30 SECTION 6.1. The Bonds are not callable for redemption prior to their stated maturities.

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32 **ARTICLE 7**

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34 **TAX AND SECURITIES LAWS COVENANTS**

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36 SECTION 7.1. Tax Covenants. The Issuer covenants and agrees that, to the extent
37 permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code
38 in order to establish, maintain and preserve the exclusion from "gross income" of interest on the
39 Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it
40 permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to
41 be used directly or indirectly in any manner, to acquire any securities or obligations the
42 acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or
43 would result in the inclusion of the interest on any Bond in "gross income" under the Code,
44 including, without limitation, (i) the failure to comply with the limitation on investment of the
45 proceeds of the Bonds, (ii) the failure to pay any required rebate of arbitrage earnings to the
46 United States of America, or (iii) the use of the proceeds of the Bonds in a manner which would
47 cause the Bonds to be "private activity bonds" under the Code.

48
49 The Executive Officers are hereby empowered, authorized and directed to take any and
50 all action and to execute and deliver any instrument, document or certificate necessary to
51 effectuate the purposes of this Section.

52
53 SECTION 7.2. Bonds are "Bank-Qualified". The Bonds are designated as "qualified tax-
54 exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this
55 designation, the Issuer finds and determines that:

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

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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 2011 does not exceed \$10,000,000.

SECTION 7.3. Disclosure Under SEC Rule 15c2-12. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because:

- (a) the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and
- (b) the Bonds are being sold to only one financial institution (*i.e.*, no more than thirty-five persons), which (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds and (ii) is not purchasing the Bonds for more than one account or with a view to distributing the Bonds.

ARTICLE 8

CONCERNING FIDUCIARIES

SECTION 8.1. Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Ordinance. The designation of Capital One Bank, in the City of New Orleans, Louisiana as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Ordinance by executing and delivering to the Executive Officers a written acceptance thereof. The Governing Authority reserves the right to appoint a successor Paying Agent by filing with the Person then performing such function a certified copy of a resolution or ordinance giving notice of the termination of the agreement and appointing a successor and causing notice to be given to each Owner. Every Paying Agent appointed hereunder shall at all times be a trust company or bank organized and doing business under the laws of the United States of America or of the State of Louisiana.

SECTION 8.2. Escrow Agent; Appointment and Acceptance of Duties. Argent Trust, a division of National Independent Trust Company, in the City of Ruston, Louisiana, is hereby appointed Escrow Agent. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance, by executing and delivering the Escrow Deposit Agreement. The Escrow Agent is authorized to file, on behalf of the Issuer, subscription forms for any Government Securities required by the Escrow Deposit Agreement.

ARTICLE 9

MISCELLANEOUS

SECTION 9.1. Defeasance. (a) If the Issuer shall pay or cause to be paid to the Owner the principal and interest to become due on the Bond at the times and in the manner stipulated therein and in the Ordinance, then the covenants, agreements and other obligations of the Issuer to the Owner 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 this Ordinance which are not required for the payment of the Bond in full.

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

8
9 SECTION 9.2. Moneys Held for Particular Bonds. The amounts held by the Paying
10 Agent for the payment due on any date with respect to particular Bonds shall, on and after such
11 date and pending such payment, be set aside on its books and held in trust by it, without liability
12 for interest, for the Owners of the Bonds entitled thereto.

13
14 SECTION 9.3. Parties Interested Herein. Nothing in this Ordinance expressed or
15 implied is intended or shall be construed to confer upon, or to give to, any person or entity, other
16 than the Issuer, the Paying Agent, the Escrow Agent, and the Owner any right, remedy or claim
17 under or by reason of this Ordinance or any covenant, condition or stipulation thereof; and all the
18 covenants, stipulations, promises and agreements in the Ordinance contained by and on behalf of
19 the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent and the
20 owners of the Refunded Bonds and the Owner.

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22 SECTION 9.4. No Recourse on the Bonds. No recourse shall be had for the payment of
23 the principal of or interest on the Bonds or for any claim based thereon or on this Ordinance
24 against any member of the Governing Authority or officer of the Issuer or any person executing
25 the Bonds.

26
27 SECTION 9.5. Successors and Assigns. Whenever in this Ordinance the Issuer is named
28 or referred to, it shall be deemed to include its successors and assigns, and all the covenants and
29 agreements in this Ordinance contained by or on behalf of the Issuer shall bind and enure to the
30 benefit of its successors and assigns whether so expressed or not.

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32 SECTION 9.6. Subrogation. In the event the Bond should ever be held invalid by any
33 court of competent jurisdiction, the Owner thereof shall be subrogated to all the rights and
34 remedies against the Issuer had and possessed by the owners of the Refunded Bonds.

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36 SECTION 9.7. Severability. In case any one or more of the provisions of this Ordinance
37 or of the Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity
38 shall not affect any other provision of the Ordinance or of the Bond, but this Ordinance and the
39 Bond shall be construed and enforced as if such illegal or invalid provisions had not been
40 contained therein. Any constitutional or statutory provision enacted after the date of this
41 Ordinance which validates or makes legal any provision of this Ordinance or the Bond which
42 would not otherwise be valid or legal shall be deemed to apply to this Ordinance and to the
43 Bond.

44
45 SECTION 9.8. Publication of Ordinance. This Ordinance shall be published one time in
46 the official journal of the Issuer; however, it shall not be necessary to publish any exhibits hereto
47 if the same are available for public inspection and such fact is stated in the publication.

48
49 SECTION 9.9. Execution of Documents. In connection with the issuance and sale of the
50 Bond, the Executive Officers are each authorized, empowered and directed to execute on behalf
51 of the Issuer such documents, certificates and instruments as they may deem necessary, upon the
52 advice of bond counsel, to effect the transactions contemplated by this Ordinance the signatures
53 of the Executive Officers on such documents, certificates and instruments to be conclusive
54 evidence of the due exercise of the authority granted hereunder.

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56 SECTION 9.10. Effective Date. This Ordinance shall become effective immediately.

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ARTICLE 10

SALE OF BONDS

SECTION 10.1. Sale of Bond. The Bond is hereby sold to the Purchaser at the price and under the terms and conditions set forth in the commitment letter attached hereto as Exhibit C.

SECTION 10.2. Application of Funds. There is hereby authorized and directed the application of the proceeds from the sale of the Bonds to the costs of issuance thereof and the remainder , along with a contribution from the Issuer's General Obligation Bond Sinking Fund, to the payment of the Refunded Bonds in principal and interest.

ARTICLE 11

REDEMPTION OF REFUNDED BONDS

SECTION 11.1. Call for Redemption. The Refunded Bonds, as more fully described in Exhibit A hereto, are hereby called for redemption on March 1, 2012, at the principal amount of each bond so redeemed, together with accrued interest to the call date, in compliance with the ordinance authorizing their issuance.

SECTION 11.2. Notice of Redemption. In accordance with the ordinance authorizing the issuance of the Refunded Bonds, a notice of redemption in substantially the form attached hereto as Exhibit D, shall be sent by the paying agent for the Refunded Bonds to the registered owner of each of the Refunded Bonds at his address as shown on the bond register of said paying agent by means of registered or certified mail deposited in the United States mails not less than thirty (30) days prior to the date of redemption.

This ordinance having been submitted in writing, having been read by title and adopted at a public meeting of the City Council of the City of Covington, State of Louisiana was then submitted to an official vote as a whole, the vote thereon being as follows.

MOTION BY CONER, seconded by WRIGHT, to adopt the ordinance, ^{as amended} recorded vote was taken and the following was had:

YEAS: 7 ABSENT: 0
NAYS: 0 ABSTAIN: 0

PASSED AND ADOPTED this 6th day of September, 2011.

Lee S. Alexius
LEE S. ALEXIUS
COUNCIL PRESIDENT

Bonnie D. Champagne
BONNIE D. CHAMPAGNE
CLERK TO THE COUNCIL

Presented to the Mayor this 8th day of September, 2011 at 11:40 o'clock A.M.

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Bonnie D. Champagne
BONNIE D. CHAMPAGNE
CLERK TO THE COUNCIL

Approved or Vetoed by the Mayor on this 9th day of September, 2011.

Michael B. Cooper
MICHAEL B. COOPER
MAYOR

Received from the Mayor on the 9th day of September, 2011, at 9:00 o'clock A.M.

Bonnie D. Champagne
BONNIE D. CHAMPAGNE
CLERK TO THE COUNCIL