

ORDINANCE # 2011-22
INTRODUCED BY Alexis
DATE INTRODUCED 8/2/11
FORM NUMBER 2011-08-07
PUBLIC HEARING 9/16/11
ADOPTED/TABLED 9/16/11 (as amended)
EFFECTIVE 2/9/11
BOOK # 3
RECORDATION # September 6, 2011
AMENDED BY ORDINANCE #
DATE AMENDED

ADOPTION

INTRODUCTION

AMENDED

The following ordinance having been introduced at a regular meeting held on September 6, 2011, notice of introduction having been published in the official journal, was offered for adoption, as amended, by CALLAHAN and seconded by CONER.

CITY OF COVINGTON

ORDINANCE NO. 2011-22

An ordinance providing for the issuance and sale of Public Improvement Sales Tax 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 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, the City of Covington, State of Louisiana (the "Issuer"), is now levying and collecting a special one percent (1%) sales and use tax, pursuant to an election held in the Issuer on October 29, 1957, at which election the following proposition was approved by a majority of the qualified electors voting at such election, the proceeds of which tax may be funded into bonds as provided in the 2001 Proposition (hereinafter set out), viz:

1957 PROPOSITION

"Shall the City of Covington, Louisiana, through its City Council, as the governing authority thereof, under the provisions of Title 33, Section 2711 et. seq., of the Revised Statutes of 1950 of the State of Louisiana, as amended, levy a tax of one (1%) per centum on the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in the City of Covington, Louisiana, as defined in R.S. 47:301-47:317, of the State of Louisiana, with the revenues derived from said sales and use tax to be dedicated and used for the purpose of constructing and improving, extending and maintaining playgrounds, recreational facilities, public roads, streets, bridges and crossings, and the construction, extension and maintenance of sewerage garbage disposal and waterworks and other works of permanent public improvement in the City of Covington, Louisiana, title to which shall be in the public?"

WHEREAS, the Issuer is now levying and collecting a separate special one percent (1%) sales and use tax, pursuant to elections held in the Issuer on September 11, 1982, April 16, 1988 and July 21, 2001, at which elections the following propositions were approved by a majority of the qualified electors voting at each election, the proceeds of which tax may be funded into bonds along with the proceeds of the 1957 Tax as provided in the 2001 Proposition hereinafter set out, viz:

1982 PROPOSITION

Shall the City of Covington, State of Louisiana, under the provisions of Article 6, Section 29 of the Louisiana Constitution of 1974, and other laws supplemental thereto, be authorized to levy and collect a tax of one percent (1%) upon the sale at retail, the use, the lease or rental, the consumption and storage for use or consumption of tangible personal property and on sales of services in said City, as defined in R.S. 47:301 - 47:317, inclusive, for a period of fifteen (15) years from the date of levy

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or until the retirement of any bonds issued payable therefrom, whichever is later, with the avails or proceeds of said tax (after paying reasonable and necessary costs and expenses of collecting and administering said tax) (the "Proceeds") to be subject to funding into negotiable bonds of said City in accordance with the provisions of Sub-Part F, Part III, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, for the purpose of purchasing, constructing, acquiring, extending or improving the public works or capital improvements for said City described below and the funding of a bond reserve for said bonds, and further, after making all payments required each month for bonds, principal, interest and other payments on such bonds, shall the remaining avails or proceeds of said tax be allocated monthly as follows:

First, an amount equal to forty percent (40%) of the Proceeds for such month for the construction, operation and maintenance of the following in the percentages of the total avails or proceeds of such tax set forth below:

1. Recreation Facilities and Equipment - Fifteen percent (15%);
2. Street Drainage - Ten Percent (10%);
3. Central Business District Municipal Services and Capital Improvements - Ten percent (10%); and
4. Police Facilities and Equipment - Five percent (5%);

with the remainder (not exceeding 60%) of the Proceeds for such month being allocated for constructing, acquiring, extending and improving the following public works or capital improvements as established and set forth in the City's then current capital budget adopted after public hearings held in the manner required by the Home Rule Charter of said City;

- a. Sewerage Facilities and Systems;
- b. City Hall Improvements;
- c. Sanitary Landfill Improvements;
- d. Police Stations;
- e. Drainage Improvements;
- f. Streets and Bridges;
- g. Fire Fighting Facilities and Equipment;
- h. Recreational Facilities and Equipment;
- i. Other capital improvements as needed

and the necessary sites, equipment and furnishings therefor, title to which shall be in the public?"

1988 PROPOSITION
SALES TAX EXTENSION AND FUNDING PROPOSITION

"Shall the City of Covington, State of Louisiana (the "City"), under the provisions of Article VI, Section 29 of the Louisiana Constitution of 1974, and other constitutional and statutory authority supplemental thereto, be authorized to levy and collect the existing one percent (1%) sales and use tax (the "Tax") approved at an election held in said City on September 11, 1982,

1 for an additional twelve (12) years from and after October 31,
2 1997 (the present expiration date for the Tax) or until all bonds
3 payable from said Tax are paid in full, whichever is later, with
4 the avails or proceeds of the Tax along with the avails or
5 proceeds of the one percent (1%) sales and use tax levied in said
6 City pursuant to an election held in said City on October 29,
7 1957, to be subject to funding into bonds maturing over a period
8 not exceeding twenty (20) years from their dates of issuance and
9 bearing interest at a rate or rates not exceeding twelve per
10 centum (12%) per annum and to be otherwise issued in
11 accordance with the provisions of Sub-Part F, Part III, Chapter 4,
12 Title 39 of the Louisiana Revised Statutes of 1950, as amended,
13 for the purpose of refunding outstanding obligations of the City
14 or for purchasing, constructing, acquiring, extending or
15 improving the public works or capital improvements described
16 in the proposition authorizing the Tax voted on at the election
17 held in said City on September 11, 1982 (the "Proposition") and
18 after making all of the payments required each month for
19 principal, interest and other payments on such bonds, shall the
20 remaining avails or proceeds of said Tax be allocated monthly in
21 the manner provided by the Proposition?"

22
23
24 2001 PROPOSITION
25 SALES TAX EXTENSION
26

27 SUMMARY: AUTHORITY TO CONTINUE TO LEVY AN
28 EXISTING 1% SALES AND USE TAX FOR AN
29 ADDITIONAL 18 YEARS AFTER THE EXPIRATION DATE
30 FOR THE PURPOSE OF REFUNDING OUTSTANDING
31 OBLIGATIONS OF THE CITY OF COVINGTON OR FOR
32 PURCHASING, CONSTRUCTING, ACQUIRING,
33 EXTENDING OR IMPROVING THE PUBLIC WORKS OR
34 CAPITAL IMPROVEMENTS AND ESTABLISHED AND
35 SET FORTH IN THE CITY'S THEN CURRENT CAPITAL
36 BUDGET ADOPTED AFTER PUBLIC HEARINGS HELD IN
37 THE MANNER REQUIRED BY THE CITY CHARTER, FOR
38 PAYING COSTS OF ISSUANCE AND FUNDING
39 NECESSARY RESERVES FOR THE PAYMENT OF ANY
40 BONDS ISSUED PAYABLE FROM THE TAX.
41

42 Shall the City of Covington, State of Louisiana (the "City"),
43 under the provisions of Article VI, Section 29 of the Louisiana
44 Constitution of 1974, and other constitutional and statutory
45 authority supplemental thereto, be authorized to continue to levy
46 and collect the existing one percent (1%) sales and use tax (the
47 "Tax") approved at an election held in said city on September
48 11, 1982 and extended at an election held on April 16, 1988, for
49 an additional eighteen (18) years from and after October 31,
50 2009 (the present expiration date for the tax) or until all bonds
51 payable from said Tax are paid in full, whichever is later, with
52 the avails or proceeds of the Tax along with the avails or
53 proceeds of the one percent (1%) sales and use tax levied in said
54 City pursuant to an election held in said City on October 29,
55 1957, to be subject to funding into bonds maturing over a period
56 not exceeding twenty-five (25) years from their dates of issuance
57 and bearing interest at a rate or rates not exceeding twelve per
58 centum (12%) per annum and to be otherwise issued in

1 accordance with the provisions of Sub-Part F, Part III, Chapter 4,
2 Title 39 of the Louisiana Revised Statutes of 1950, as amended,
3 for the purpose of refunding outstanding obligations of the City
4 or for purchasing, constructing, acquiring, extending or
5 improving the public works or capital improvements described
6 in the proposition authorizing the tax voted on at the election
7 held in said City on September 11, 1982 (the "Proposition") and
8 and established and set forth in the City's then current capital
9 budget adopted after public hearings held in the manner required
10 by the City Charter, for paying costs of issuance and funding
11 necessary reserves for the payment of such bonds, and after
12 making all of the payments required each month for principal,
13 interest and other payments of such bonds, shall the remaining
14 avails or proceeds of the Tax be allocated monthly in the manner
15 provided by the Proposition?
16

17 WHEREAS, pursuant to the authority of the aforesaid elections of October 29,
18 1957 and September 11, 1982, April 16, 1988 and July 21, 2001, the City Council of the
19 City of Covington, State of Louisiana (the "Governing Authority"), acting as the governing
20 authority of the Issuer adopted ordinances providing for the levy and collection of the (i)
21 one percent (1%) sales and use tax in the Issuer authorized at an election held on October
22 29, 1957 (the "1957 1% Sales Tax") and (ii) one percent (1%) sales and use tax in the
23 Issuer authorized at elections held on September 11, 1982, April 16, 1988 and July 21,
24 2001 (the "1982 1% Sales Tax") (collectively, the "Tax"); and
25

26 WHEREAS, pursuant to the authority of the aforesaid elections and ordinances
27 adopted by the Issuer, the Issuer is now levying and collecting the Tax; and
28

29 WHEREAS, in accordance with the ordinances adopted by the Issuer, the net avails
30 or proceeds of the Tax, after the reasonable and necessary expenses of collection and
31 administration thereof have been paid therefrom (the "Net Revenues of the Tax"), shall be
32 available for appropriation and expenditure by the Issuer solely for the purposes designated
33 in the proposition authorizing the levy of the Tax, which includes the payment of bonds
34 authorized to be issued in accordance with Louisiana law; and
35

36 WHEREAS, pursuant to the provisions of Sub-Part F, Part III, Chapter 4, Title 39
37 of the Louisiana Revised Statutes of 1950, as amended and other constitutional and
38 statutory authority, the Issuer has heretofore issued \$4,450,000 of its Public Improvement
39 Sales Tax Bonds, Series 2002 (the "Series 2002 Bonds"), of which \$3,005,000 is currently
40 outstanding; and
41

42 WHEREAS, to provide debt service reduction to the Issuer, the Issuer desires to
43 refund the \$2,795,000 of the Series 2002 Bonds, which mature November 1, 2012 through
44 2021, inclusive (the "Refunded Bonds"), pursuant to Chapter 14-A of Title 39 of the
45 Louisiana Revised Statutes of 1950, as amended, through the issuance of its refunding
46 bonds; and
47

48 WHEREAS, after effecting the refunding authorized herein, the Issuer will have
49 outstanding no other bonds or other obligations of any kind or nature payable from or
50 enjoying a lien on the Net Revenues of the Tax (hereinafter defined) herein pledged other
51 than the Bonds herein authorized; and
52

53 WHEREAS, it is the intention of the Issuer that the Bonds be secured by and
54 payable from the Net Revenues of the Tax; and
55

56 WHEREAS, in connection with the issuance of the Bonds, it is necessary that
57 provision be made for the payment of the principal, interest and redemption premium of
58 the Refunded Bonds and to provide for the call for redemption of the Refunded Bonds

1 pursuant to a Notice of Call for Redemption; and

2
3 WHEREAS, the Issuer desires to sell the Bonds to the purchaser thereof and to fix
4 the details of the Bonds and the terms of the sale of the Bonds;

5
6 NOW, THEREFORE BE IT ORDAINED by the City Council of the City of
7 Covington, State of Louisiana, acting as the governing authority of the City of Covington,
8 State of Louisiana, that:

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11 **ARTICLE 1**

12 **DEFINITIONS AND INTERPRETATION**

13
14
15 SECTION 1.1. Definitions. The following terms shall have the following
16 meanings unless the context otherwise requires:

17
18 “Act” means Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950,
19 as amended, and other applicable constitutional and statutory authority.

20
21 “Additional Parity Bonds” means any additional *pari passu* bonds which may
22 hereafter be issued pursuant to Section 8.1 hereof on a parity with the Bonds.

23
24 “Bond” means any Bonds of the Issuer authorized to be issued by this Ordinance,
25 whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any
26 Bond previously issued.

27
28 “Bonds” means the Public Improvement Sales Tax Refunding Bonds, Series 2011,
29 of the Issuer issued pursuant to this Ordinance, as the same may be amended from time to
30 time.

31
32 “Bond Counsel” means Foley & Judell, L.L.P., or any other attorney or firm of
33 attorneys whose experience in matters relating to the issuance of obligations by states and
34 their political subdivisions is nationally recognized.

35
36 “Bond Obligation” means, as of the date of computation, the principal amount of
37 the Bonds then Outstanding.

38
39 “Bond Year” means the one-year period ending on the principal payment date of
40 the Bonds, which is November 1.

41
42 “Executive Officers” means, collectively, the Mayor of the Issuer and the Clerk of
43 the Governing Authority.

44
45 “Fiscal Year” means the one-year period commencing on January 1 or such other
46 one-year period as may be designated by the Governing Authority as the fiscal year of the
47 Issuer.

48
49 “Governing Authority” means the City Council of the City of Covington, State of
50 Louisiana, or its successor in function.

51
52 “Government Securities” means direct general obligations of, or obligations the
53 principal of and interest on which are unconditionally guaranteed by, the United States of
54 America, which may be United States Treasury Obligations such as the State and Local
55 Government Series and may be in book-entry form.

56
57 “Interest Payment Date” means May 1 and November 1 of each year,
58 commencing May 1, 2012.

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“Issuer” means the City of Covington, State of Louisiana.

“Net Revenues of the Tax” mean the avails or proceeds of the Tax received by the Issuer, subject only to the prior payment of the reasonable and necessary costs and expenses of collecting the Tax.

“Ordinance” means this ordinance, as further amended and supplemented as herein provided.

“Outstanding”, when used with reference to the Bonds, means, as of any date, all Bonds theretofore issued under this Ordinance, except:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds with the effect specified in Section 10.1 hereof, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to the Ordinance, to the satisfaction of the Paying Agent, or waived;
- (c) Bonds in exchange for or *in lieu* of which other Bonds have been registered and delivered pursuant to the Ordinance; and
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Ordinance or by law.

“Owner” or **“Owners”** means the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent.

“Paying Agent” means 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”** means such successor Paying Agent.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Purchaser” means Capital One Public Funding, LLC, in the City of Melville, New York.

“Record Date” means, with respect to an Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

“Refunded Bonds” means the \$2,795,000 of the Issuer's Public Improvement Sales Tax Bonds, Series 2002, that mature on November 1 of the years 2012 through 2021, inclusive, which are being refunded by the Bonds, as more fully described in Exhibit A hereto.

“Reserve Fund Requirement” means a sum equal to the lesser of (i) 10% of the original principal proceeds of the Bonds, any outstanding parity bonds, and any issue of Additional Parity Bonds payable from the Revenues of the Tax, (ii) the highest combined principal and interest requirements for any succeeding Fiscal Year on the Bonds, any outstanding parity bonds, and any Additional Parity Bonds payable from the Revenues of the Tax, or (iii) 125% of the average aggregate amount of principal installments and

1 interest becoming due in any Fiscal Year on the Bonds, any outstanding parity bonds and
2 Additional Parity Bonds payable from the Revenues of the Tax.
3

4 “Sales Tax Ordinance” means and includes the ordinance adopted by the City of
5 Covington, State of Louisiana, on (i) November 26, 1957, as amended by an ordinance
6 adopted on September 11, 1962 providing for the levy and collection of the 1% sales and
7 use tax now being levied and collected by the Issuer pursuant to an election held on
8 October 29, 1957 and on (ii) October 19, 1982 as amended on June 7, 1988 and September
9 24, 2001, providing for the levy and collection of the 1% sales and use tax now being
10 levied and collected by the Issuer pursuant to elections held on September 11, 1982, April
11 16, 1988 and July 21, 2001.

12
13 “State” means the State of Louisiana.

14
15 “Tax” means the (i) one percent (1%) sales and use tax authorized at the election
16 held within the corporate boundaries of the Issuer on October 29, 1957 and (ii) one percent
17 (1%) sales and use tax authorized at the elections held within the corporate boundaries of
18 the Issuer on September 11, 1982, April 16, 1988 and July 21, 2001.
19

20 ARTICLE 2

21 AUTHORIZATION AND ISSUANCE OF BONDS

22
23
24 SECTION 2.1. Authorization of Bonds. This Ordinance creates a series of Bonds
25 of the Issuer designated as “Public Improvement Sales Tax Refunding Bonds, Series 2011,
26 of the City of Covington, State of Louisiana” and provides for the full and final payment of
27 the principal, redemption price of and interest on all of the Bonds.
28

29 (a) The Bonds issued under this Ordinance shall be issued for the purpose of
30 refunding the Refunded Bonds and paying the costs of issuance of the Bonds.
31

32 (b) Provision having been made for the orderly redemption of all the Refunded
33 Bonds in accordance with their terms, it is hereby recognized and acknowledged that as of
34 the date of delivery of the Bonds under this Ordinance, provision will have been made for
35 the performance of all covenants and agreements of the Issuer incidental to the Refunded
36 Bonds, and accordingly, and in compliance with all that is herein provided, the Issuer is
37 expected to have no future obligation with reference to the Refunded Bonds, except to
38 assure that the Refunded Bonds are paid from the proceeds of the Bonds and from other
39 moneys available to the Issuer for such purpose.
40

41 SECTION 2.2. Ordinance to Constitute Contract. In consideration of the purchase
42 purchase and acceptance of the Bonds by those who shall own the same from time to time,
43 the provisions of this Ordinance shall constitute a contract between the Issuer and the
44 Owners from time to time of the Bonds. The provisions, covenants and agreements herein
45 set forth to be performed by or on behalf of the Issuer shall be for the equal benefit,
46 protection and security of the Owners of any and all of the Bonds, each of which Bonds,
47 regardless of the time or times of its issue or maturity, shall be of equal rank without
48 preference, priority or distinction over any other thereof except as expressly provided in
49 this Ordinance.
50

51 SECTION 2.3. Obligation of Bonds. The Bonds shall be secured by and payable
52 in principal, premium, if any, and interest solely from an irrevocable pledge and dedication
53 of the Net Revenues of the Tax. The Net Revenues of the Tax are hereby irrevocably and
54 irrevocably pledged and dedicated in an amount sufficient for the payment of the Bonds in
55 principal, premium, if any, and interest as they shall respectively become due and payable,
56 and for the other purposes hereinafter set forth in this Ordinance. All of the Net Revenues
57 of the Tax shall be set aside in a separate fund, as hereinafter provided in Section 4.3
58 hereof, and, as long as said moneys are retained in said fund in accordance with the

1 provisions of Section 4.3 hereof, shall be and remain pledged for the security and payment
2 of the Bonds and any Additional Parity Bonds issued pursuant to Section 8.1 hereof, in
3 principal, premium, if any, and interest and for all other payments provided for in this
4 Ordinance until such bonds shall have been fully paid and discharged.

5
6 SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the
7 Act, there is hereby authorized the issuance of Two Million Seven Hundred Seventy-Five
8 Thousand Dollars (\$2,775,000) principal amount of refunding bonds of the Issuer
9 designated "Public Improvement Sales Tax Refunding Bonds, Series 2011, City of
10 Covington, State of Louisiana," for the purpose of refunding the Refunded Bonds and
11 paying the costs of issuance of the Bonds. The Bonds shall be in substantially the form set
12 set forth in Exhibit B hereto, with such necessary or appropriate variations, omissions and
13 insertions as are required or permitted by the Act and this Ordinance.

14
15 SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds are
16 issuable as fully registered Bonds without coupons in the denominations corresponding to
17 the principal amount of each maturity (one Bond per maturity), and shall be numbered R-1
18 upwards.

19
20 The Bonds shall be dated the date of delivery thereof, shall mature on November 1
21 in the years and in the principal amounts and shall bear interest, payable on each Interest
22 Payment Date at the rate per annum as follows:

23
24

<u>YEAR (NOV. 1)</u>	<u>PRINCIPAL AMOUNT MATURING</u>	<u>INTEREST RATE PER ANNUM</u>	
25			
26	2012	\$230,000	2.09%
27	2013	245,000	2.09
28	2014	250,000	2.09
29	2015	260,000	2.09
30	2016	270,000	2.09
31	2017	285,000	2.09
32	2018	290,000	2.09
33	2019	305,000	2.09
34	2020	315,000	2.09
35	2021	325,000	2.09

36

37 SECTION 2.6. Payment of Principal and Interest. The principal and premium, if
38 any, of the Bonds are payable in such coin or currency of the United States of America as
39 at the time of payment is legal tender for payment of public and private debts at the
40 principal corporate trust office of the Paying Agent, upon presentation and surrender
41 thereof. Interest on the Bonds is payable by check mailed on or before the Interest
42 Payment Date by the Paying Agent to each Owner (determined as of the close of business
43 on the applicable Record Date) at the address of such Owner as it appears on the
44 registration books of the Paying Agent maintained for such purpose. Except as otherwise
45 provided in this Section, Bonds shall bear interest from date thereof or from the most
46 recent Interest Payment Date to which interest has been paid or duly provided for, as the
47 case may be, provided, however, that if and to the extent that the Issuer shall default in the
48 payment of the interest on any Bonds due on any Interest Payment Date, then all such
49 Bonds shall bear interest from the most recent Interest Payment Date to which interest has
50 been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.
51 The Person in whose name any Bond is registered at the close of business on the Record
52 Date with respect to an Interest Payment Date shall in all cases be entitled to receive the
53 interest payable on such Interest Payment Date notwithstanding the cancellation of such
54 Bond upon any registration of transfer or exchange thereof subsequent to such Record Date
55 and prior to such Interest Payment Date.

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ARTICLE 3
GENERAL TERMS AND PROVISIONS OF THE BONDS

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

22
23 All Bonds delivered upon any registration of transfer or exchange of Bonds shall be
24 valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits
25 under this Ordinance as the Bonds surrendered. Prior to due presentment for registration
26 of transfer of any Bond, the Issuer and the Paying Agent, and any agent of the Issuer or the
27 Paying Agent may deem and treat the person in whose name any Bond is registered as the
28 absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and
29 shall not be bound by any notice to the contrary.

30
31 No service charge to the Owners shall be made by the Paying Agent for any
32 exchange or registration of transfer of Bonds. The Paying Agent may require payment by
33 the Person requesting an exchange or registration of transfer of Bonds of a sum sufficient
34 to cover any tax or other governmental charge that may be imposed in relation thereto.
35 The Issuer and the Paying Agent shall not be required to issue, register the transfer of or
36 exchange any Bond during a period beginning at the opening of business on the 15th
37 calendar day of the month next preceding an Interest Payment Date and ending at the close
38 of business on the Interest Payment Date.

39
40 SECTION 3.2. Cancellation of Bonds. All Bonds paid at maturity, together with
41 all Bonds purchased by the Issuer, shall thereupon be promptly canceled by the Paying
42 Agent. The Paying Agent shall thereupon promptly furnish to the Clerk of the Issuer an
43 appropriate certificate of cancellation.

44
45 SECTION 3.3. Execution. The Bonds shall be executed in the name and on behalf
46 behalf of the Issuer by the manual or facsimile signatures of the Executive Officers, and
47 the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed,
48 imprinted, engraved or otherwise reproduced thereon. In case any one or more of the
49 officers who shall have signed or sealed any of the Bonds shall cease to be such officer
50 before the Bonds so signed and sealed shall have been actually delivered, such Bonds may,
51 nevertheless, be delivered as herein provided, and may be issued as if the person who
52 signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the
53 execution of the Bonds, adopt as and for their own proper signatures their respective
54 facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and
55 the Issuer may adopt and use for that purpose the facsimile signature of any person or
56 persons who shall have been such officer at any time on or after the date of such Bond,
57 notwithstanding that at the date of such Bond such person may not have held such office or
58

1 that at the time when such Bond shall be delivered such person may have ceased to hold
2 such office.

3
4 SECTION 3.4. Registration by Paying Agent and Secretary of State. (a) No Bond
5 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit
6 under this Ordinance unless and until a certificate of registration on such Bond
7 substantially in the form set forth in Exhibit B hereto shall have been duly manually
8 executed on behalf of the Paying Agent by a duly authorized signatory, and such executed
9 certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such
10 Bond has been executed, registered and delivered under this Ordinance.

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

16
17 "OFFICE OF SECRETARY OF STATE
18 STATE OF LOUISIANA
19 BATON ROUGE

20
21 Incontestable. Secured by a pledge and dedication of the
22 proceeds of sales and use taxes in the City of Covington, State
23 of Louisiana. Registered this _____ day of _____,
24 2011.

25
26
27
28 _____
29 Secretary of State

30 SECTION 3.5. Regularity of Proceedings. The Issuer, having investigated the
31 regularity of the proceedings had in connection with the issuance of the Bonds, and having
32 determined the same to be regular, each of the Bonds shall contain the following recital, to-
33 to-wit:

34
35 "It is certified that this Bond is authorized by and is issued in
36 conformity with the requirements of the Constitution and
37 statutes of the State of Louisiana."

38
39 **ARTICLE 4**
40 **PAYMENT OF BONDS; DISPOSITION OF FUNDS**

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

47
48 SECTION 4.2. Issuer Obligated to Collect Tax. In compliance with the laws of
49 the State and Section 6.3 hereof, the Issuer through its Governing Authority, by proper
50 resolutions and/or ordinances, is obligated to cause the Tax to continue to be levied and
51 collected for the full period of its authorization and to provide for all reasonable and
52 necessary rules, regulations, procedures and penalties in connection therewith, including
53 the proper allocation of the proceeds of the Tax, until all of the Bonds have been retired as
54 to both principal and interest, and further shall not discontinue or decrease or permit to be
55 discontinued or decreased the Tax in anticipation of the collection of which the Bonds have
56 been issued, nor in any way make any change which would diminish the amount of the
57 revenues of the Tax to be received by the Issuer until all of the Bonds have been retired as
58 to both principal, interest, and redemption premium, if any. Nothing herein contained shall

1 be construed to prevent the Governing Authority from altering, amending or repealing
2 from time to time as may be necessary the Sales Tax Ordinance or any subsequent
3 ordinance providing with respect to the Tax, said alterations, amendments or repeals to be
4 conditioned upon the continued preservation of the rights of the Owners with respect to the
5 revenues from the Tax. The Sales Tax Ordinance and the obligations to continue to levy,
6 collect and allocate the Tax and to apply the revenues therefrom in accordance with the
7 provisions of this Ordinance, shall be irrevocable until the Bonds have been paid in full as
8 to both principal and interest, and shall not be subject to amendment in any manner which
9 would impair the rights of the Owners from time to time of the Bonds or which would in
10 any way jeopardize the prompt payment of principal thereof and interest thereon. More
11 specifically, neither the Legislature of Louisiana nor the Issuer through its Governing
12 Authority may discontinue or decrease the Tax or permit the same to be discontinued or
13 decreased the Tax in anticipation of the collection of which such Bonds have been issued,
14 or in any way make any change in the dedication of the proceeds of such Tax which would
15 diminish the amount of the revenues of the Tax to be received by the Issuer, until all of
16 such Bonds shall have been retired as to both principal and interest.
17

18 SECTION 4.3. Funds and Accounts. In order that the principal of and the interest
19 interest on the Bonds will be paid in accordance with their terms and for the other objects
20 and purposes hereinafter provided, the Issuer further covenants as follows:
21

22 That, in compliance with the Sales Tax Ordinance, all of the avails or proceeds of
23 the Tax shall continue to be deposited daily as the same may be collected in a separate and
24 special bank account heretofore established with the regularly designated fiscal agent of
25 the Issuer and designated as the "City of Covington Sales Tax Account" (the "Sales Tax
26 Fund"), and shall be maintained and administered in the following order of priority and for
27 the purposes set out below. The Sales Tax Fund shall constitute a dedicated fund of the
28 Issuer, from which appropriations and expenditures by the Issuer shall be made solely for
29 the purposes designated in the proposition authorizing the levy of the Tax, including the
30 payment of the Bonds and any Additional Parity Bonds.
31

32 Out of the funds on deposit in the Sales Tax Fund, the Issuer shall first pay all
33 reasonable and necessary expenses of collection and administration of the Tax. After
34 payment of such expenses, the remaining balance of the Tax proceeds shall be used in the
35 following order of priority and for the following express purposes:
36

37 (a) The maintenance of the "City of Covington Sales Tax Bond Sinking Fund"
38 (hereinafter called the "Sinking Fund"), established pursuant to the ordinance issuing the
39 Refunded Bonds, to be held with the regularly designated fiscal agent of the Issuer,
40 sufficient in amount to pay promptly and fully the principal of and the interest on the
41 Bonds and any Additional Parity Bonds hereafter issued in the manner provided by this
42 Ordinance, as they severally become due and payable, by transferring from the Sales Tax
43 Fund to the Sinking Fund, monthly in advance, on or before the 20th day of each month of
44 each year, a sum equal to the principal and interest accruing on such bonds during such
45 monthly period, together with such additional proportionate sum as may be required to pay
46 said principal and interest as the same respectively become due. Said fiscal agent shall
47 transfer from the Sinking Fund to the paying agent bank or banks for all bonds payable
48 from the Sinking Fund, at least three (3) days in advance of each Interest Payment Date,
49 funds fully sufficient to pay promptly the principal and interest so falling due on such date.
50

51 (b) The Issuer shall maintain the "City of Covington Sales Tax Bond Reserve
52 Fund" (hereinafter called the "Reserve Fund"), established pursuant to the ordinance
53 issuing the Refunded Bonds, an amount equal to the Reserve Fund Requirement. The
54 money in the Reserve Fund is to be retained solely for the purpose of paying the principal
55 of and interest on the bonds payable from the Sinking Fund as to which there would
56 otherwise be default. In the event that additional parity bonds are issued hereafter in the
57 manner provided by the Bond Ordinance, then there shall be transferred from the proceeds
58 of such Additional Parity Bonds or from the Sales Tax Fund into the Reserve Fund upon

1 the issuance of such Additional Parity Bonds, such amounts as will increase the total
2 amount on deposit in the Reserve Fund to the Reserve Fund Requirement for the
3 outstanding parity bonds, the Bonds and any such additional parity bonds.
4

5 If at any time it shall be necessary to use moneys in the Reserve Fund for the purpose of
6 paying principal or interest on Bonds as to which there would otherwise be default, then
7 the moneys so used shall be replaced from the avails or proceeds of the Tax first thereafter
8 received not hereinabove required to pay the costs and expenses of collecting the Tax or to
9 pay current principal and interest requirements, it being the intention hereof that there shall
10 as nearly as possible be at all times in the Reserve Fund the amount hereinabove specified.
11

12 All or any part of the moneys in the Sales Tax Fund, the Sinking Fund and the
13 Reserve Fund (if moneys have been deposited therein) shall, at the request of the Issuer, be
14 invested in direct obligations of the United States of America or other obligations
15 permitted by State law, except that moneys in the Reserve Fund may only be invested in
16 Government Securities maturing in five (5) years or less, in which event all income derived
17 from such investments shall be added to the Sales Tax Fund (except that any income of the
18 Reserve Fund shall remain in the Reserve Fund until such time as the Reserve Fund
19 Requirement is fully satisfied), and such investments shall, to the extent at any time
20 necessary, be liquidated and the proceeds thereof applied to the purposes for which the
21 respective funds have been created. Investments in the Reserve Fund shall be valued by
22 the Issuer semi-annually at the market value thereof, excluding accrued interest.
23

24 Any money remaining in the Sales Tax Fund after making the above-required
25 payments may be used by the Issuer for the purpose of calling and/or purchasing and
26 paying any bonds payable from the Sinking Fund, or for such other purposes for which the
27 imposition of the Tax is authorized
28

29 The Sales Tax Fund and the Sinking Fund and the Reserve Fund (if moneys have
30 been deposited therein which may be applied to the payment of the Bonds) shall all be and
31 constitute trust funds for the purposes provided in this Ordinance, and the Owners are
32 granted a lien on all such funds until applied in the manner provided therein. The moneys
33 in such funds shall at all times be secured to the full extent thereof by the bank or trust
34 company holding such funds in the manner required by the laws of the State of Louisiana.
35

36 **ARTICLE 5**
37 **REDEMPTION OF BONDS**
38

39 SECTION 5.1. Redemption of Bonds. The Bonds will not be callable for
40 redemption prior to their stated maturity dates.
41

42 **ARTICLE 6**
43 **PARTICULAR COVENANTS**
44

45 SECTION 6.1. Application of Bond Proceeds and Additional Moneys. As a
46 condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to apply
47 a sufficient amount of the proceeds derived from the issuance of the Bonds, together with
48 moneys in the Sinking Fund and the Reserve Fund established and maintained for the
49 payment of principal and interest on the Refunded Bonds and available surplus revenues of
50 the Tax, as will enable the Issuer to redeem the Refunded Bonds in principal, redemption
51 premiums and interest immediately upon delivery of the Bonds, and set aside such amount
52 of the proceeds of the Bonds and/or other moneys available to the Issuer to pay the costs of
53 issuance of the Bonds.
54

55 SECTION 6.2. Payment of Bonds. The Issuer shall duly and punctually pay or
56 cause to be paid as herein provided, the principal and redemption price, if any, of every
57 Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds
58 according to the true intent and meaning thereof.

1
2 SECTION 6.3. Rights of Owners. Any Owner may, either at law or in equity, by
3 suit, action, mandamus or other proceedings, enforce and compel performance of all duties
4 required to be performed as a result of issuing the Bonds and may similarly enforce the
5 provisions of any ordinance or resolution imposing the Tax and this Ordinance.

6
7 SECTION 6.4. Indemnity Bonds. So long as any of the Bonds are outstanding and
8 and unpaid, the Issuer shall require all of its officers and employees who may be in a
9 position of authority or in possession of money derived from the collection of the Tax, to
10 obtain or be covered by a blanket fidelity or faithful performance bond, or independent
11 fidelity bonds written by a responsible indemnity company in amounts adequate to protect
12 the Issuer from loss.

13
14 SECTION 6.5. Records and Accounts Relating to Tax. So long as any of the
15 Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and
16 keep proper books of records and accounts separate and apart from all other records and
17 accounts in which shall be made full and correct entries of all transactions relating to the
18 collection and expenditure of the revenues of the Tax, including specifically but without
19 limitation, all reasonable and necessary costs and expenses of collection.

20
21 Not later than six (6) months after the close of each Fiscal Year, the Issuer shall
22 cause an audit of such books and accounts to be made by a recognized independent firm of
23 certified public accountants showing the receipts of and disbursements made for the
24 account of the Sales Tax Fund. Such audit shall be available for inspection upon request
25 by any Owner. The Issuer further agrees that the Paying Agent and any Owner shall have
26 at all reasonable times the right to inspect the records, accounts and data of the Issuer
27 relating to the Tax.

28
29 SECTION 6.6. Arbitrage. The Issuer covenants and agrees that, to the extent
30 permitted by the laws of the Louisiana, it will comply with the requirements of the Internal
31 Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish,
32 maintain and preserve the exclusion from "gross income" of interest on the Bonds under
33 the Code. The Issuer further covenants and agrees that it will not take any action, fail to
34 take any action, or permit any action within its control to be taken, or permit at any time or
35 times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly
36 or indirectly in any manner, the effect of which would be to cause the Bonds to be
37 "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in
38 gross income under the Code, including, without limitation, (i) the failure to comply with
39 the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate
40 of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the
41 Bonds in a manner which would cause the Bonds to be "private activity bonds".

42
43 The Executive Officers are hereby empowered, authorized and directed to take any
44 and all action and to execute and deliver any instrument, document or certificate necessary
45 to effectuate the purposes of this Section.

46
47 SECTION 6.7. Bonds are "Qualified Tax-Exempt Obligations". The Bonds are
48 designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)
49 of the Code. In making this designation, the Issuer finds and determines that:

50
51 (a) the Bonds are not "private activity bonds" within the meaning of the
52 Code; and

53
54 (b) the reasonably anticipated amount of qualified tax-exempt obligations
55 which will be issued by the Issuer and all subordinate entities in calendar year
56 2011 does not exceed \$10,000,000.

57
58 SECTION 6.8. Disclosure Under SEC Rule 15c2-12. It is recognized that the

1 Issuer will not be required to comply with the continuing disclosure requirements
2 described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR
3 §240.15c2-12(b)], because:

4
5 (a) the Bonds are not being purchased by a broker, dealer or municipal securities
6 dealer acting as an underwriter in a primary offering of municipal securities, and
7

8 (b) the Bonds are being sold to only one financial institution (*i.e.*, no more than
9 thirty-five persons), which (i) has such knowledge and experience in financial and business
10 matters that it is capable of evaluating the merits and risks of the prospective investment in
11 the Bonds and (ii) is not purchasing the Bonds for more than one account or with a view to
12 distributing the Bonds.

13 **ARTICLE 7**
14 **MODIFICATION OR AMENDMENT OF ORDINANCE**

15
16 SECTION 7.1. Amendments to Ordinance. No material modification or
17 amendment of this Ordinance, or of any ordinance amendatory hereof or supplemental
18 hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of
19 the aggregate principal amount of the Bonds then outstanding; provided, however, that no
20 such modification or amendment shall permit a change in the maturity or the redemption
21 provisions of the Bonds, or a reduction in the rate of interest thereon, or in the amount of
22 the principal obligation thereof, or affecting the obligation of the Issuer to pay the principal
23 of and interest on the Bonds as the same shall become due from the Net Revenues of the
24 Tax, or change the requirements specified herein for the issuance of Additional Parity
25 Bonds under the provisions of this Ordinance, or reduce the percentage of the Owners
26 required to consent to any material modification or amendment of this Ordinance, without
27 the consent of such Owner or Owners.

28 **ARTICLE 8**
29 **ADDITIONAL PARITY BONDS**

30
31 SECTION 8.1. Issuance of Additional Parity Bonds. The Bonds shall enjoy complete
32 parity of lien on the revenues of the Tax despite the fact that any of the Bonds may be
33 delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other
34 bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues
35 of the Tax having priority over or parity with the Bonds, except that bonds may hereafter
36 be issued on a parity with the Bonds if all of the following conditions are met:

37
38 (i) The average annual revenues derived by the Issuer from the Tax
39 when computed for the last two (2) completed calendar years immediately
40 preceding the issuance of the Additional Parity Bonds must have been not
41 less than 2.00 times the highest combined principal and interest
42 requirements for any succeeding Bond Year period on all Bonds then
43 outstanding, including any Additional Parity Bonds theretofore issued and
44 then outstanding, and any other bonds or other obligations whatsoever then
45 outstanding which are payable from the revenues of the Tax (but not
46 including bonds which have been refunded or provision otherwise made for
47 their full and complete payment and redemption) and the bonds so proposed
48 to be issued;

49
50 (ii) The payments to be made into the various funds provided for in
51 Section 4.3 hereof must be current;

52
53 (iii) The existence of the facts required by paragraphs (i) and (ii) above
54 must be confirmed by the chief financial officer of the Issuer;

55
56 (iv) The Additional Parity Bonds must be payable as to principal on
57 November 1st of each year in which principal falls due, beginning not later
58 than three (3) years after the date of such bonds, and payable as to interest

1 on May 1st and November 1st of each year; and

2
3 (v) No Additional Parity Bonds may be issued should any event of
4 default under the Ordinance have occurred and be continuing.

5
6 **ARTICLE 9**

7
8 **CONCERNING FIDUCIARIES**

9
10 SECTION 9.1. Paying Agent; Appointment and Acceptance of Duties. The Issuer
11 Issuer will at all times maintain a Paying Agent having the necessary qualifications for the
12 performance of the duties described in this Ordinance. The designation of Capital One
13 Bank, in the City of New Orleans, Louisiana, as the initial Paying Agent is hereby
14 confirmed and approved. The Executive Officers are hereby authorized, empowered and
15 directed to execute a Paying Agent Agreement with the Paying Agent, in such form and
16 containing such provisions as such Executive Officers may determine, upon the advice of
17 bond counsel, to be necessary or appropriate in the circumstances, by the execution of
18 which the Paying Agent shall accept the duties and obligations of the Paying Agent sent
19 forth in this Ordinance. The Governing Authority reserves the right to appoint a successor
20 Paying Agent by filing with the Person then performing such function a certified copy of a
21 ordinance or ordinance giving notice of the termination of the agreement and appointing
22 a successor and causing notice to be given to each Owner. Every Paying Agent appointed
23 appointed hereunder shall at all times be a trust company or bank organized and doing
24 business under the laws of the United States of America or of any State, authorized under
25 such laws to exercise trust powers, and subject to supervision or examination by Federal or
26 State authority.

27
28 SECTION 9.2. Successor Paying Agent. Any successor Paying Agent shall (i) be
29 a trust company or bank in good standing, located in or incorporated under the laws of the
30 State, duly authorized to exercise trust powers and subject to examination by federal or
31 state authority.

32
33 **ARTICLE 10**
34 **MISCELLANEOUS**

35 SECTION 10.1. Defeasance. (a) If the Issuer shall pay or cause to be paid to the
36 Owners of all Bonds then outstanding, the principal and interest and redemption premium,
37 if any, to become due thereon, at the times and in the manner stipulated therein and in the
38 Ordinance, then the covenants, agreements and other obligations of the Issuer to the
39 Owners shall be discharged and satisfied. In such event, the Paying Agent shall, upon the
40 request of the Issuer, execute and deliver to the Issuer all such instruments as may be
41 desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over
42 or deliver to the Issuer all moneys, securities and funds held by them pursuant to the
43 Ordinance which are not required for the payment or redemption of Bonds not theretofore
44 surrendered for such payment or redemption.

45
46 (b) Bonds or interest installments for the payment of which money shall have
47 been set aside and shall be held in trust (through deposit by the Issuer of funds for such
48 payment or otherwise) at the maturity date thereof shall be deemed to have been paid
49 within the meaning and with the effect expressed above in this Section. Bonds shall be
50 deemed to have been paid, prior to their maturity, within the meaning and with the effect
51 expressed above in this Section if they have been defeased pursuant to Chapter 14 of Title
52 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions
53 thereto.

54
55 SECTION 10.2. Parties Interested Herein. Nothing in the Ordinance shall be
56 construed to confer upon, or to give to, any person or corporation, other than the Issuer, the
57 Paying Agent and the Owners any right, remedy or claim under or by reason of the
58 Ordinance or any covenant, condition or stipulation thereof; and all the covenants,

1 stipulations, promises and agreements in the Ordinance contained by and on behalf of the
2 Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the
3 Owners and the owners of the Refunded Bonds.
4

5 SECTION 10.3. No Recourse on the Bonds. No recourse shall be had for the
6 payment of the principal of or interest on the Bonds or for any claim based thereon or on
7 this Ordinance against any member of the Governing Authority or officer of the Issuer or
8 any person executing the Bonds.
9

10 SECTION 10.4. Subrogation. In the event the Bonds to be issued, or any of them,
11 should ever be held invalid by any court of competent jurisdiction, the Owner or Owners
12 thereof shall be subrogated to all the rights and remedies against the Issuer had and
13 possessed by the owner or owners of the Refunded Bonds.
14

15 SECTION 10.5. Severability. In case any one or more of the provisions of the
16 Ordinance or of the Bonds shall for any reason be held to be illegal or invalid, such
17 illegality or invalidity shall not affect any other provision of the Ordinance or of the
18 Bonds, but the Ordinance and the Bonds shall be construed and enforced as if such illegal
19 or invalid provisions had not been contained therein. Any constitutional or statutory
20 provision enacted after the date of the Ordinance which validates or makes legal any
21 provision of the Ordinance or the Bonds which would not otherwise be valid or legal shall
22 be deemed to apply to the Ordinance and to the Bonds.
23

24 SECTION 10.6. Publication of Ordinance; Peremption. This Ordinance shall be
25 published one (1) time in the official journal of the Issuer.
26

27 SECTION 10.7. Execution of Documents. In connection with the issuance and
28 sale of the Bonds, the Executive Officers are each authorized, empowered and directed to
29 execute on behalf of the Issuer such documents, certificates and instruments as they may
30 deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated
31 by this Ordinance, the signatures of the Executive Officers on such documents, certificates
32 and instruments to be conclusive evidence of the due exercise of the authority granted
33 hereunder.
34

35 SECTION 10.8. Award of Bonds. The Issuer hereby accepts the offer to purchase
36 purchase the Bonds submitted by Capital One Public Funding, LLC, in the City of
37 Melville, New York, attached as Exhibit C hereto. The Bonds shall be delivered to the
38 Purchaser upon payment of the principal amount of the Bonds.
39

40 SECTION 10.9. Recordation. A certified copy of this Ordinance shall be filed and
41 and recorded as soon as possible in the Mortgage Records of the Parish of St. Tammany,
42 State of Louisiana.
43

44 SECTION 10.10. Effective Date. This Ordinance shall become effective
45 immediately.
46

47 **ARTICLE 11**
48 **DEFEASANCE AND REDEMPTION OF REFUNDED BONDS**
49

50 SECTION 11.1. Call for Redemption. The Refunded Bonds, as more fully
51 described in Exhibit A hereto, are hereby called for redemption on the date of delivery of
52 the Bonds (which is projected to be November 2, 2011) at the principal amount of each
53 bond so redeemed, plus a premium equal to 1% of each such bond so redeemed, together
54 with accrued interest to the call date, in compliance with the ordinance authorizing their
55 issuance.
56

57 SECTION 11.2. Notice of Call for Redemption. In accordance with the ordinance
58 ordinance authorizing the issuance of the Refunded Bonds, a notice of call for redemption

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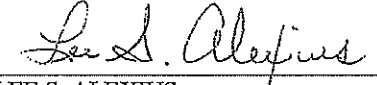
in substantially the form attached hereto as Exhibit D, shall be sent by the paying agent for the Refunded Bonds to the registered owners of the Refunded Bonds as the same appear on the registration books of said paying agent by means of first class mail not less than thirty (30) days prior to the date 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 CALLAHAN, seconded by CONER, to adopt the ordinance, ^{as amended} a 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
COUNCIL PRESIDENT


BONNIE D. CHAMPAGNE
CLERK TO THE COUNCIL

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


BONNIE D. CHAMPAGNE
CLERK TO THE COUNCIL

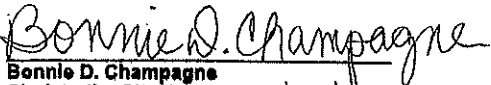
Approved or Vetoed by the Mayor on this 9th day of September, 2011.


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
CLERK TO THE COUNCIL

Certified to be a true copy of the original records as found at Covington City Hall.


Bonnie D. Champagne
Clerk to the City Council 9/27/11