

ORDINANCE NO. _____

AN ORDINANCE PROVIDING FOR THE ISSUANCE AND SALE OF TWENTY MILLION DOLLARS (\$20,000,000) OF SALES TAX BONDS, SERIES 2019 (THE “BONDS”), OF THE ECONOMIC DEVELOPMENT DISTRICT NO. 1 OF THE CITY OF RUSTON, STATE OF LOUISIANA; PRESCRIBING THE FORM, FIXING THE DETAILS AND PROVIDING FOR THE RIGHTS OF THE OWNERS THEREOF; AWARDING THE SALE OF THE BONDS TO THE PURCHASER THEREOF; DESIGNATING THE PAYING AGENT FOR THE BONDS; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*) and other constitutional and statutory authority (the “**District Act**”), authorize municipalities, parishes and certain other local governmental subdivisions to create economic development districts to carry out the purposes of the District Act, which economic development districts are political subdivisions of the State of Louisiana and possess such power and authority and have such duties as provided by the Act and other law; and

WHEREAS, by Ordinance No. 1733 of 2018 adopted on October 1, 2018 (the “**District Ordinance**”), this Mayor and Board of Aldermen, of the City of Ruston, State of Louisiana created the Economic Development District No. 1 of the City of Ruston, State of Louisiana (the “**District**” or “**Issuer**”), in accordance with the District Act; and

WHEREAS, the District now levies a one and seventy-five hundredths percent (1.75%) (the “**Tax**”) pursuant to Ordinance No. 1740 of 2018 (the “**Tax Ordinance**”), adopted by Mayor and Board of Aldermen, of the City of Ruston, State of Louisiana, acting as governing authority (the “**Governing Authority**”) of the District.

WHEREAS, pursuant to Section 9038.34 through 9038.38 of the District Act and other constitutional and statutory authority, this Governing Authority, now desires to incur debt and issue Twenty Million Dollars (\$20,000,000) of its Sales Tax Bonds, in one or more series (the “**Bonds**”), to be secured by and payable from the Pledged Revenues (as defined herein) for the purposes of: (i) paying the costs of any economic development project located within the District, as such costs are defined in La. R.S. 33:9038.36, including, without limitation, public works and infrastructure projects to promote economic development in the District; and (ii) paying the costs of issuance of the Bonds (collectively, the “**Projects**”); and

WHEREAS, it is the desire of the Governing Authority to pledge the Pledged Revenues to the payment of debt service on the Bonds; and

WHEREAS, it is the desire of the Governing Authority, pursuant to this Ordinance, to provide for the definitive authorization, issuance and sale of the Bonds in the principal amounts herein, to fix the details necessary with respect to the issuance of the Bonds, to provide for the awarding of the Bonds to the purchaser thereof and to provide for other matters in connection therewith;

NOW THEREFORE, BE IT RESOLVED by the Governing Authority of the District, that:

**ARTICLE I
DEFINITIONS**

§ 1.1. Definitions. Unless the context shall clearly indicate some other meaning the following terms, for the purposes of this Ordinance, or any resolution, ordinance or other instrument amendatory hereof or supplemental hereto, and for all purposes of any certificate, opinion, instrument or any document therein or herein mentioned, shall have the following meanings, with the following definitions to be equally applicable to both the singular and plural forms of such terms and vice versa:

“**2016 Tax**” means the City of Ruston, State of Louisiana three quarter of one percent (¾%) sales and use tax approved by the voters of the City at an election held on April 9, 2016.

“**Additional Parity Bonds**” means any *pari passu* indebtedness hereafter issued on a parity with the Bonds with respect to the Net Revenues of the Tax and the Excess Revenues of the 2016 Tax in accordance with Article IX hereto.

“**Bond**” or “**Bonds**” means Twenty Million Dollars (\$20,000,000) original principal amount of Economic Development District No. 1 of the City of Ruston, State of Louisiana, Sales Tax Bonds, in one or more series, authorized to be issued by this Ordinance, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any Bonds previously issued.

“**Bond Counsel**” means an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized, initially Boles, Shafto & Leonard, LLC.

“**Bondholder,**” “**Registered Owner,**” “**Owner,**” or “**Owners,**” when used with respect to any Bond, means the Person in whose name such Bond is registered in the Bond Register.

“**Bond Proceeds**” means the proceeds realized from the sale of the Bonds.

“**Bond Register**” means the records kept by the Paying Agent in which a record of the registration of the Bonds and transfer of the Bonds shall be made as provided herein.

“**Business Day**” means a day of the year other than a day on which banks located in New York, New York, Monroe, Louisiana and the cities in which the principal offices of the Paying Agent are located are required or authorized to remain closed and on which the New York Stock Exchange is closed.

“**Closing Date**” means the date all documents related to the issuance of the Bonds are signed by all parties.

“**Closing Order**” means that certain memorandum provided to the Paying Agent by the Issuer or the Issuer’s Municipal Advisor on the Closing Date, which details the disbursement of Bond Proceeds.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commitment Letter**” means the Commitment Letter issued by the Purchaser evidencing its obligation to purchase the Bonds pursuant to the terms set forth on **Exhibit “B”** hereto.

“**Costs of Issuance**” means all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including, but not limited to, printing costs, cost of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, fees and disbursements of consultants and professionals, including financial advisors, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of the Bonds.

“**Debt Service**” means, for any period, as of any date of calculation and with respect to any outstanding Bonds, an amount equal to the sum of (i) interest accruing during such period on the Bonds (ii) that portion of each principal installment for such Bonds, which would accrue during such period.

“**Debt Service Fund**” means the fund of this name established pursuant to Section 5.1 hereto.

“**Defeasance Obligations**” means

(a) cash, or

- (b) Government Securities, or
- (c) Evidences of ownership of proportionate interests in future interest and principal payments of Government Securities. Investments in such proportionate interests must be limited to circumstances wherein (i) a bank or trust company acts as custodian and hold the underlying Government Securities; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Securities; and (iii) the underlying Government Securities are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“District” or “Issuer” means the Economic Development District No. 1 of the City of Ruston, State of Louisiana.

“District Act” means Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*), as amended.

“District Ordinance” means Ordinance No. 1733 of 2018 adopted on October 1, 2018 by the Mayor and Board of Aldermen, of the City of Ruston, State of Louisiana creating the District.

“Executive Officers” means, collectively, the Mayor and Clerk of the Governing Authority.

“Excess Revenues of the 2016 Tax” means the portion of the 2016 Tax (net of costs of collection) which exceeds the amount required for debt service obligations on bonded indebtedness secured by the 2016 Tax which have been incurred by the City prior to the date of this Ordinance.

“Fiscal Agent Bank” means the regularly designated fiscal agent bank of the Issuer.

“Fiscal Year” means the one-year accounting period beginning January 1 of each year, or such other period as may be designated by the Governing Authority as the fiscal year of the Issuer.

“Governing Authority” means the Mayor and Board of Aldermen, of the City of Ruston, State of Louisiana, in its capacity as the governing authority of the Issuer.

“Government Securities” means direct obligations, of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which are non-callable prior to their maturity and which may be United States Treasury obligations such as the State and Local Government Series and may be in book-entry form.

“Interest Payment Date” means ____ 1 and ____ 1 of each year, commencing ____ 1, 2019.

“Issuance Date” means the date on which the Bonds are issued.

“Maximum Annual Debt Service” means, as of the date of calculation, the highest aggregate annual debt service requirements and debt service payable on the Bonds during the then current or any succeeding calendar year over the remaining term of the Bonds.

“Municipal Advisor” means Argent Trust Company, a Tennessee state chartered trust company, with an office in Ruston, Louisiana.

“Ordinance” means this Ordinance adopted by the Issuer authorizing the issuance of the Bonds.

“Outstanding”, when used with respect to Bonds, means as of the date of determination all Bonds theretofore issued and delivered under this Ordinance, except:

- (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for which payment or redemption sufficient funds have been theretofore deposited in trust for the owners of such Bonds, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Ordinance or waived;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Ordinance;
- (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Ordinance or by law; and
- (e) Bonds for the payment of the principal of (or redemption price, if any) and interest on which money or Government Securities or both are held in trust with the effect specified in this Ordinance.

“Paying Agent” means _____, in its capacity as paying agent as described herein, or such successor paying agent as may be appointed pursuant to Article XI hereof.

“Paying Agent Agreement” means the agreement to be entered into between the Issuer and any paying agent appointed pursuant to Article XI hereof.

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

“Pledged Revenues” means, collectively, (i) the Net Revenues of the Tax; and (ii) the Excess Revenues of the 2016 Tax pledged as security for the Bonds pursuant to the provisions of Section 6.1 hereof.

“Principal Payment Date” means _____ 1 of each year, commencing _____ 1, 2019.

“Proceeds Fund” means the fund of this name established pursuant to Section 5.1 hereto.

“Project” means: (i) paying the costs of any economic development project located within the District, as such costs are defined in La. R.S. 33:9038.36, including, without limitation, public works and infrastructure projects to promote economic development in the District; and (ii) paying the costs of issuance of the Bonds.

“Project Fund” means the fund of this name established pursuant to Section 5.1 hereto.

“Purchaser” means the purchaser of the Bonds, to be named in the Commitment Letter.

“Qualified Investments” means (i) cash deposits, insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with direct obligations of the United States of America, and (ii) those certain securities, obligations or other instruments specifically set forth in La. R.S. 33:2955 as amended from time to time, or pursuant to any other constitutional or statutory authority, as being legal investments for political subdivisions of the State.

“Record Date” for the interest payable on any Interest Payment Date or the principal payable on any Principal Payment Date means the 15th calendar day of the month next preceding such Interest Payment Date.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to this Ordinance.

“**Reserve Fund**” means the fund of that name which may be established with respect to an any Additional Parity Bonds (if required) as set forth in Article V of this Ordinance.

“**Sales Tax Revenue Fund**” means the means the “Trust Fund” or previously established by the Issuer pursuant to Ordinance No. 1733 adopted on October 1, 2018, by the Governing Authority of the District, creating the District for the purposes of economic development projects, into which the Tax Revenues are deposited in the ordinary course of business of the District.

“**State**” means the State of Louisiana.

“**Supplemental Ordinance**” means any ordinance adopted by the Governing Authority supplementing, modifying or revising the provisions of this Ordinance, subject to the limitations or requirements set forth in Article VIII hereof.

“**Tax**” means that certain sales and use tax of one and seventy-five hundredths percent (1.75%) described in the recitals of this Ordinance.

“**Tax Ordinance**” means Ordinance No. 1740 of 2018 adopted by the Governing Authority on November 29, 2018 providing for the levy and collection of the Tax.

“**Tax Revenues**” means the gross revenues of the Tax collected by the District.

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

ARTICLE II AUTHORIZATION AND ISSUANCE

§ 2.1. **Authorization of Bonds.** In compliance with and under the authority of the District Act, and other constitutional and statutory authority there is hereby authorized the incurring of an indebtedness of Twenty Million Dollars (\$20,000,000) for, on behalf of and in the name of the Issuer, for the purposes of financing the Project and to pay the costs of issuance of the Bonds (as herein defined), and to represent the said indebtedness, the Issuer does hereby authorize the issuance of Twenty Million Dollars (\$20,000,000) of its Sales Tax Bonds, Series 2019 (the “**Bonds**”). The Bonds shall be in fully registered form, shall be dated the date of delivery thereof, shall be in the denominations of \$100,000 or any integral multiple of \$5,000 above \$100,000, and shall be issued in the form of one (1) Term Bond as follows:

\$20,000,000, _____% Term Bond, Due _____ 1, 20__

The Bonds shall bear interest from the date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for, first payable on _____ 1, 20__, and semiannually thereafter on _____ 1 and _____ 1 of each year, at the interest rate set forth above based on a 30/360 interest calculation basis.

The principal of the Bonds, upon maturity or redemption, shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds will be payable by check mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Ordinance upon transfer or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form set forth in **Exhibit “A”** hereto, executed by the Paying Agent by manual signature.

§ 2.2. **Disbursement of Proceeds.** The principal amount of the Bonds shall be disbursed to the Issuer pursuant to requisitions submitted to Purchaser in substantially the form of **Exhibit “C”** hereto. Interest will accrue only against principal amounts drawn and outstanding.

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

**ARTICLE III
REDEMPTION OF BONDS**

§3.1. **Redemption.**

Optional Redemption

The Bonds are subject to redemption at the option of the Issuer prior to their stated maturity in whole or in part at any time on or after ____ 1, 20 ____, in the order directed by the Issuer, and in the event that less than all of such Bonds of any maturity are called for redemption, the particular Bonds of such maturity to be redeemed shall be as described below. Any Bond made the subject of such call or calls shall be redeemed at 100% of the principal amount thereof plus accrued interest to the redemption date.

A redemption of the Bonds shall be a redemption of the whole or of any part of the Bonds, provided that there shall be no partial redemption of less than \$5,000.

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

If there shall be called for redemption less than all of a Bond, the Issuer shall execute and deliver and the Paying Agent shall authenticate, upon surrender of such Bond, without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Mandatory Scheduled Redemption for the Bonds

The Bonds are subject to Mandatory Scheduled Redemption prior to maturity, including interest accrued to the redemption date on annual basis commencing ____ 1, 2019, and each ____ 1 thereafter until maturity, in the principal amounts in the years specified below as follows:

| YEAR | PRINCIPAL |
|-----------|---------------|
| (____ 1) | <u>AMOUNT</u> |
| 2019 | \$ |

§3.2. Notice of Redemption.

(a) In the event any of the Bonds are called for Optional Redemption, the Paying Agent shall give notice, in the name of the Issuer, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Paying Agent) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to each Owner of the Bonds to be redeemed at its address shown on the Bond Register kept by the Paying Agent; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(b) Any Bonds and portions of Bonds which have been duly selected for Optional Redemption and which are paid as set forth herein shall cease to bear interest on the specified redemption date.

(c) In the case of any Optional Redemption in part of the Bonds, the Bonds to be redeemed will be selected by the Issuer, subject to the requirements of this Ordinance. If less than all of the Bonds outstanding of a series are called for redemption under any provision of this Ordinance permitting partial redemption, the particular Bonds of such series to be redeemed will be selected by the Paying Agent, in such a manner as the Paying Agent in its discretion may deem fair and appropriate.

(d) No prior notice is required for Mandatory Scheduled Redemption payments.

§ 3.3. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 3.2 hereof, the Bonds or portions thereof so called for Optional Redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office specified in such notice, such Bonds or portions thereof shall be paid at the redemption price plus interest accrued and unpaid to the redemption date.

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

ARTICLE IV
GENERAL TERMS AND PROVISIONS OF THE BONDS

§ 4.1. Registration, Transfer and Exchange of Bonds. The Issuer shall cause the Bond Register to be kept by the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register the transfer of, or exchange (i) any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date, or (ii) any Bond called for redemption prior to maturity, during a period beginning at the opening of business fifteen (15) days before the date of mailing of a notice of redemption of such Bond and ending on the date of such redemption.

§ 4.2. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly canceled, or be destroyed, stolen or lost, the Issuer may in its discretion authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly canceled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) complying with such other reasonable regulations and conditions as the Issuer may prescribe, and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Article III hereof. If any Bond shall have matured or be, about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

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

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

§ 4.3. Form of Bonds. The Bonds shall be in substantially the form set forth in **Exhibit “A”** hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Ordinance, as deemed necessary by the Executive Officers upon advice of Bond Counsel.

§ 4.4. Cancellation of Bonds. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already cancelled shall be promptly cancelled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Bonds previously registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall

be promptly cancelled by the Paying Agent. All cancelled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

§ 4.5. **Execution of Bonds.** The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of the Issuer and under the corporate seal of the Issuer, and the Legal Opinion Certificate shall be signed by the Secretary of the Issuer, which signatures and seal may be either manual or facsimile.

§ 4.6. **Registration of Bonds by Secretary of State.** The Bonds shall be registered with the Secretary of State of Louisiana as provided by law and shall bear the endorsement of the Secretary of State of Louisiana in substantially the form set forth herein, provided such endorsement shall be manually signed only on the Bonds initially delivered to the Purchaser; any bonds subsequently exchanged therefor as permitted in this Ordinance may bear the facsimile signature of said Secretary of State.

§ 4.7. **Regularity of Proceeding.** The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to wit.

“It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State.”

ARTICLE V FUNDS AND ACCOUNTS

§ 5.1. **Creation of Funds or Accounts.** Prior to the Issuance Date, the Issuer shall have created the following Funds or Accounts with the regularly designated fiscal agent bank of the Issuer (the “**Fiscal Agent Bank**”):

- (a) The Series 2019 Bond Proceeds Fund (the “**Proceeds Fund**”);
- (b) The Economic Development District No. 1 Sales Tax Fund (the “**Sales Tax Revenue Fund**”);
- (c) The Series 2019 Debt Service Fund (the “**Debt Service Fund**”);
- (d) The Series 2019 Project Fund (the “**Project Fund**”); and
- (e) The Series 2019 Rebate Fund (the “**Rebate Fund**”).

§ 5.2 **Application of Proceeds.** On the Issuance Date, the purchase price of the Bonds will be paid by the Purchaser to the Issuer. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Ordinance, to cause the necessary Bonds to be printed, to issue, execute and seal the Bonds, and to effect delivery thereof as hereinafter provided. The Bond Proceeds shall be deposited in the Proceeds Fund and the Project Fund, in accordance with the Closing Order, and should the Closing Order conflict with the instructions contained in this Article V, the Closing Order shall control and shall be deemed included herein as if such instructions were set forth herein in their entirety.

Any Bond Proceeds remaining in the Proceeds Fund 180 days after the Closing Date shall be transferred to the Debt Service Fund. The Fiscal Agent shall retain in the Proceeds Fund such Bond Proceeds in the amount required to pay the Costs of Issuance in accordance with the Closing Order.

§ 5.3. **Flow of Funds / Debt Service.** In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for other objects and purposes hereinafter provided, the Issuer covenants that all of the Tax Revenues shall be deposited daily, as the same may be collected, in the Sales Tax Revenue Fund. The Sales Tax Revenue Fund constitutes a dedicated fund of the Issuer to be utilized solely for the purposes for which the Tax is authorized, including the payment of Debt Service. Out of monies on deposit in the Sales Tax Revenue Fund, the Issuer shall first pay all reasonable and necessary expenses of collection and

administration of the Tax. After the payment of such expenses, the remaining Tax Revenues shall be used in the following order of priority and for the following express purposes:

(a) The establishment and maintenance of the Debt Service Fund into which there shall be deposited moneys sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any Additional Parity Bonds, as they severally become due and payable, by transferring from the Sales Tax Revenue Fund to the Debt Service Fund, at least one (1) Business Day in advance of any Interest Payment Date or Principal Payment Date, the Issuer shall cause the Fiscal Agent Bank to transfer from the Debt Service Fund to the Paying Agent immediately available funds fully sufficient to pay promptly the Debt Service so falling due on such Interest Payment Date or Principal Payment Date.

(b) To the extent that there are insufficient funds in the Sales Tax Revenue Fund to make Debt Service payments on the Bonds as they become due, the Issuer, in accordance with Section 6.1(b) hereof, shall cause the City to transfer an amount from the Excess Revenues of the 2016 Tax to the Debt Service Fund, which together with amounts on deposit in the Debt Service Fund will provide sufficient amounts to pay promptly the Debt Service so falling due on such Interest Payment Date or Principal Payment Date.

(c) The establishment and maintenance of any Reserve Fund (a "**Reserve Fund**"), which may be established at the option of the Issuer, in connection with any future Additional Parity Bonds by retaining in such Reserve Fund a sum equal to the amounts required pursuant to the resolution(s) or ordinance(s) authorizing such Additional Parity Bonds. The money in the Reserve Fund shall be retained solely for the purpose of paying principal and interest on the bonds secured by such Reserve Fund as to which there would otherwise be default and shall be managed pursuant to the resolution(s) or ordinance(s) authorizing such bonds; provided however, that no transfers shall be made from the Debt Service Fund into such Reserve Fund(s) until after the payments required by paragraph (a) above are made. It is expressly provided that the Bonds issued pursuant to this Ordinance are not secured by and shall have no claim on any funds in the Reserve Fund.

(d) Moneys remaining in the Sales Tax Revenue Fund on the 20th day of each month after making the required payments into the Debt Service Fund for the current month and for prior months during which the required payments may not have been made shall be considered surplus. Such surplus shall be made available to the Issuer and may be used by the Issuer for any lawful purpose consistent with the District Act.

§ 5.4. Project Fund. The Issuer is hereby authorized and directed to create the "Series 2019 Project Fund" to be held and maintained by the Fiscal Agent Bank and used to receive the Bond Proceeds as provided in the Closing Order. Monies in the Project Fund shall be disbursed and applied at the discretion of the Issuer, as is required to accomplish the Project, and shall be subject to a lien and charge in favor of the Bondholders for further security of such Bondholders until paid out or transferred as herein provided.

§ 5.5. Investment of Funds. All or any part of the moneys in the Sales Tax Revenue Fund, the Proceeds Fund, and the Debt Service Fund shall, at the written request of the Issuer, be invested in Qualified Investments in which event all income derived from such Qualified Investments shall be retained within the fund in which they were earned.

§ 5.6. Funds to Constitute Trust Fund. The Sales Tax Revenue Fund, and Debt Service Fund provided for above shall all be and constitute trust funds for the purposes provided in this Ordinance, and Bonds issued pursuant to this Ordinance be and they are hereby granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State. The Executive Officers are hereby authorized and directed to execute any instrument necessary to affect this section.

§ 5.7. Rebate Fund. The Issuer is authorized to establish the Series 2019 Rebate Fund (the "**Rebate Fund**") for the deposit of monies used to make all rebate payments (if any) owed to the United States under the Code, and which shall not be subject to the pledge of accounts under the Ordinance. The Issuer shall comply with the requirements of Section 148 of the Code and the regulations thereunder, and the Issuer, at its expense, shall make the calculation(s)

required by the Code and the tax/arbitrage certificate (the "**Tax Certificate**") delivered by the Issuer in connection with the Bonds. The Issuer shall make deposits to and make disbursements from the Rebate Fund that the Issuer determines are in accordance with this Section. The Tax Certificate and any provisions of this Ordinance governing deposits to the Rebate Fund may be superseded or amended (except the requirement of annual calculations and deposits to the Rebate Fund, if required) if accompanied by an opinion of Bond Counsel addressed to the Issuer to the effect that any revisions thereof will not cause the interest on the Bonds to become includable in gross income of the recipient thereof for federal tax purposes.

ARTICLE VI SECURITY FOR THE BONDS

§ 6.1. Pledge and Security. The Bonds shall be secured by and payable in principal, premium, if any, and interest solely from: (a) the Net Revenues of the Tax which are hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Ordinance. All of the Net Revenues of the Tax shall be held in a separate fund and applied as provided in Section 5.3 hereof. The Net Revenues of the Tax shall be and remain pledged for the security and payment of the Bonds and any future Additional Parity Bonds issued pursuant to Section 9.1 hereof in principal, premium, if any, and interest and for all other payments provided for in this Ordinance until such Bonds shall have been fully paid and discharged. The District has no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the Net Revenues of the Tax; and

(b) The Bonds will be secured additionally by a pledge of a portion of the City's three quarter of one percent (¾%) sales and use tax approved by the voters of the City at an election held on April 9, 2016 (the "**2016 Tax**") currently being levied in the City. The portion of the 2016 Tax pledged hereunder shall be the amount of such 2016 Tax collected in the District (net of costs of collection) which exceeds the amount required for debt service obligations on bonded indebtedness secured by the 2016 Tax (the "**Excess Revenues of the 2016 Tax**" and together with the Net Revenues of the Tax, the "**Pledged Revenues**"). The pledge of the Excess Revenues of the 2016 Tax is subordinate to the pledge of the 2016 Tax in favor of the City's Series 2016 Sales Tax Revenue Bonds.

(c) With respect to the pledge of the Excess Revenues of the 2016 Tax, this Governing Authority acknowledges and approves of cooperative economic development efforts between the City and the District and further acknowledges receipt of equivalent value by the City in the form of increased sales tax revenues and the positive economic impact in the City anticipated from the Projects. This Governing Authority hereby authorizes the entering into of an intergovernmental agreement between the City and the District in furtherance of such efforts as from time to time may be necessary to accomplish such economic development efforts in the District.

§ 6.2 Obligation to Continue to Collect the Tax. The Issuer does hereby obligate itself and is bound under the terms and provisions of law to levy, impose, enforce and collect the Tax and to provide for all reasonable and necessary rules, regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds have been retired as to both principal and interest. Nothing herein contained shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary this Ordinance or any Supplemental Ordinance providing with respect to the Tax, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the Net Revenues of the Tax. The Tax Ordinance, and the obligations to continue to levy, collect and allocate the Tax and to apply the Tax Revenues in accordance with the provisions of this Ordinance, shall be irrevocable for the full period of their respective authorizations until the Bonds have been paid in full as to principal, premium, if any, and interest, and shall not be subject to amendment in any manner which would impair the rights of the Owners from time to time of the Bond or which would in any way jeopardize the prompt payment of principal thereof and interest thereon. More specifically, neither the Legislature of Louisiana nor the Issuer may discontinue or decrease the Tax or permit to be discontinued or decreased the Tax in anticipation of the collection of which the Bonds have been issued, or in any way make any change which would diminish the amount of the Net Revenues of the Tax

pledged to the payment of the Bonds and received by the Issuer, until all of such Bonds shall have been retired as to both principal and interest.

ARTICLE VII PARTICULAR COVENANTS

§ 7.1. Payment of Bonds.

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

(b) In providing for the issuance of the Bonds, the Issuer does hereby covenant that it has a legal right to levy and collect the Tax, to issue the Bonds and payment of principal and interest thereon, including defaulted amounts (if any).

§ 7.2. Exclusion of Interest/Arbitrage. To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from “gross income” of interest on the Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in the Code or would result in the inclusion of the interest on any Bond in “gross income” under the Code, including without limitation, the failure to comply with the limitation on investment of the proceeds of the Bonds, the payment of any required rebate of arbitrage earnings to the United States of America, or the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds” under the Code.

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to executed and deliver any instrument, document or bond necessary to effectuate the purposes of this Section.

§ 7.3. Post-Issuance Compliance. The Executive Officers and/or their designees are directed to establish written procedures to assist the Issuer in complying with various State and Federal statutes, rules and regulations applicable to the Bonds and are further authorized to take any and all actions as may be required by said written procedures to ensure continued compliance with such statutes, rules and regulations throughout the term of the Bonds.

§ 7.4. Records and Accounts Relating to Tax and the 2016 Tax. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the Tax Revenues, including specifically but without limitation, all reasonable and necessary costs and expenses of collection.

Not later than three (3) months after the close of each Fiscal Year, the Issuer shall cause an audit of such books and accounts to be made by the Legislative Auditor of the State of Louisiana (or his successor) or by a recognized independent firm of certified public accountants showing the receipts of and disbursements made for the account of the Sales Tax Revenue Fund. Such audit shall be available for inspection upon request by the Owners of any of the Bonds. The Issuer further agrees that the Paying Agent and the Owners of any of the Bonds shall have at all reasonable times the right to inspect the records, accounts and data of the Issuer relating to the Tax.

ARTICLE VIII SUPPLEMENTAL ORDINANCES

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

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

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

(c) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Ordinance, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Ordinance; and

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this Ordinance, or to insert such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable and are not contrary to or inconsistent with this Ordinance as theretofore in effect.

§ 8.2. Supplemental Ordinances Effective With Consent of Owners. Except as provided in Section 8.1, any modification or amendment of this Ordinance or of the rights and obligations of the Issuer and of the Owners hereunder, in any particular, may be made by a Supplemental Ordinance, with the written consent of the Owners, of a majority of the outstanding principal amount of the Bonds at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy the Tax for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of either the Paying Agent without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of this Ordinance if the same adversely affects or diminishes the rights of the Owners of said Bonds.

ARTICLE IX PARITY BONDS

§ 9.1. Issuance of Parity Bonds. All of the Bonds shall enjoy complete parity of lien on the Net Revenues of the Tax and the 2016 Tax despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Pledged Revenues having priority over or parity with the Bonds, except that bonds may hereafter be issued on a parity with such bonds (“**Additional Parity Bonds**”) under the following conditions:

(a) The Bonds or any part thereof, including interest and redemption premiums thereon, may be refunded and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded, provided, however, that if only a portion of Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any fiscal year in excess of the principal and interest which would have been required in such fiscal year to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds issued hereunder (provided such consent shall not be required if such refunding Bonds meet the requirements set forth in clause (b) below).

(b) Additional Parity Bonds secured by the Pledged Revenues may be issued if all of the following conditions are met:

(i) The Pledged Revenues and for the Fiscal Year immediately preceding the issuance of additional bonds must have been not less than 1.33 times the highest combined principal and interest requirements for any succeeding Fiscal Year on all