

## **ORDINANCE 11-909**

An ordinance authorizing the issuance of Nine Hundred Thousand Dollars (\$900,000) of Hospital Revenue Bonds, Series 2011, of the Town of Homer, Parish of Claiborne, State of Louisiana; prescribing the form, terms and conditions of said Bonds; designating the date, denomination and place of payment of said Bonds; providing for the payment thereof in principal and interest; providing for the acceptance of an offer for the purchase of said Bonds; and providing for other matters in connection therewith.

**WHEREAS**, the Budget for the Town of Homer, Parish of Claiborne, State of Louisiana (the "Issuer"), for the fiscal year ending June 30, 2012, shows an excess of revenues over statutory, necessary and usual charges and all other expenses in its Hospital Enterprise Fund (herein defined) for such fiscal year; and

**WHEREAS**, as described above, said budget shows surplus moneys sufficient to meet the maximum principal and interest requirements in any future year on the Hospital Revenue Bonds authorized herein, and this Mayor and Board of Selectmen, as the governing authority of the Issuer (the "Governing Authority"), will herein obligate itself and its successors in office to budget and set aside and/or cause the directors of the Hospital to budget and set aside annually adequate Hospital Revenues (herein defined) for the payment of the Bonds in principal and interest in future years; and

**WHEREAS**, Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, authorizes the Issuer to issue revenue bonds for any authorized purpose payable from any sources, including the Hospital Revenues (as herein defined); and

**WHEREAS**, the Issuer now desires to incur debt and issue Nine Hundred Thousand and 00/100 Dollars (\$900,000) of its Hospital Revenue Bonds, Series 2011 (the "Bonds"), in the manner authorized and provided by the aforesaid Section of the Louisiana Revised Statutes of 1950, as hereinafter provided, for the purpose of (i) acquiring laboratory and endoscopy/laprosopy imaging equipment for the Hospital, including costs of installation and improvements in connection therewith; and (ii) facilitate the expansion and improvement of the Hospital's Intensive Care Unit (items (i) and (ii) being collectively referred to herein as the "Project") and to pay costs of issuance of the related financing; and

**WHEREAS**, it is the desire of this Governing Authority to fix the details necessary with respect to the issuance of the Bonds and to provide for their authorization and issuance; and

**WHEREAS**, it is the further desire of this Governing Authority to provide for the sale of the Bonds at the price and in the manner hereinafter provided;

**NOW, THEREFORE, BE IT RESOLVED**, by the Mayor and Board of Selectmen of the Town of Homer, Parish of Claiborne, State of Louisiana, acting as the governing authority thereof, that:

**SECTION 1. Definitions.** The following terms as used in this Bond Ordinance (this "Bond Ordinance") shall have the following respective meanings, such definitions being equally applicable to both the singular and plural sense of any of such terms:

**"Act"** means Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

**"Authorized Denominations"** means \$100,000 or any whole dollar amount in excess thereof.

**"Bond Ordinance"** means this Bond Ordinance authorizing the issuance of the Bonds, as hereafter amended or supplemented.

**"Bond Register"** means the records kept by the Issuer in which registration of the Bonds and transfer of the Bonds shall be made as provided herein.

**"Bond Year"** means the one year period ending on December 31 of each Year.

**"Bonds"** means the Issuer's Hospital Revenue Bonds, Series 2011A and Series 2011B, authorized by this Bond Ordinance, in the total aggregate principal amount of Nine Hundred Thousand Dollars (\$900,000).

**"Business Day"** means any day on which the offices of the Purchaser are open for business, or, if the Purchaser does not own any Bonds, any day on which offices of commercial banks in the State are generally open for business other than a Saturday or Sunday; and on which the New York Stock Exchange is not closed.

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

**"Costs of Issuance"** means the costs and expenses associated with issuing the Bonds.

**"Debt Service Coverage Ratio"** means (i) the EBITDA of the Hospital for its prior Fiscal Year, divided by; (ii) the highest combined principal and interest requirements for any succeeding Bond Year on all Bonds outstanding, including any *pari passu* Additional Bonds.

**"Default"** shall mean any event which with notice or lapse of time or both would constitute an Event of Default.

**"Determination of Taxability"** means any determination, decision, decree, notice or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction, or an opinion obtained by Purchaser from counsel qualified in such matters, that an Event of Taxability shall have occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

- (a) the date when Borrower files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability has occurred; or

(b) the effective date of any federal legislation or federal rule enacted after the date of this Ordinance or promulgation of any income tax regulation or ruling by the Internal Revenue Service that causes an Event of Taxability; or

(c) sale, lease or other deliberate action taken with respect to the Hospital within the meaning of Treas. Reg. §1.141-2(d), unless Issuer causes to be delivered to Purchaser within 10 days thereafter an unqualified opinion of Bond Counsel to the effect that such deliberate action will not cause interest on the Bond to become includable in the gross income of the Purchaser.

**"EBITDA"** means the sum of the Hospital's earnings before interest expense, taxes, depreciation and amortization as determined in accordance with generally accepted accounting principles, consistently applied.

**"Encumbrance"** means any mortgage, pledge, lien, security interest, charge, mortgage, lease, easement, restriction, condition, reservation of rights, remainder, claim or other encumbrance.

**"Event of Default"** shall mean any of the events described or listed in Section 10 hereof.

**"Event of Taxability"** means (i) the application of the proceeds of the Bond in such manner that such Bond becomes an "arbitrage bond" within the meaning of Code Sections 103(b)(2) and 148, and with the result that interest on such Bond is or becomes includable in a holder's gross income (as defined in Code Section 61), (ii) if as the result of any act, failure to act or use of the proceeds of the Bond, a change in use of the Hospital or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Ordinance by Issuer or the enactment of any federal legislation after the date of this Ordinance or the promulgation of any income tax regulation or ruling by the Internal Revenue Service after the date of this Agreement or for any other reason, interest paid or payable on the Bond is or becomes includable in a holder's gross income (as defined in Code Section 61).

**"Executive Officers"** means, collectively, the Mayor and the Clerk of the Issuer.

**"Fiscal Year"** means the accounting year beginning July 1 of each year, or such other accounting period as may be designated by the Governing Authority as the fiscal year of the Hospital.

**"Governing Authority"** means the Mayor and Board of Selectmen 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, may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

**"Hospital"** means the Homer Memorial Hospital facility in the Town of Homer, Parish of Claiborne, Louisiana, as it may hereafter be improved, extended or supplemented while any of the Bonds herein authorized remain outstanding, including specifically all properties of every nature owned, leased or operated by or on behalf of the Issuer and used or useful in the operation of the Hospital and including real estate, personal and tangible properties, contracts, franchises, leases and choses in action.

***"Hospital Enterprise Fund"*** means the enterprise fund accounting established by the Issuer for the Hospital in accordance with La. Admin. Code tit. 28, pt. XLI, § 505, to account for the operations of the Hospital, and evidencing the intent of the Issuer that the costs (expenses, including depreciation) of providing services of the Hospital to the general public on a continuing basis be financed or recovered primarily through user charges.

***"Hospital Revenues"*** means all income and revenues derived or to be derived by the Issuer from the operation of the Hospital, including earnings on investments in the funds and accounts described in Section 6 hereof.

***"Issuer"*** means the Town of Homer, Parish of Claiborne, State of Louisiana.

***"Operating Fund"*** has the meaning set forth in Section 8(b) hereof.

***"Outstanding"*** when used with respect to Bonds means, as of the date of all Bonds theretofore issued and delivered under this Bond Ordinance, except;

1. Bonds theretofore canceled by the Issuer or delivered to the Issuer for cancellation;
2. Bonds for which sufficient funds for payment or redemption have been theretofore deposited in trust for the owners of such Bonds with the effect specified in this Bond Ordinance and subject to the terms and conditions hereof; provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to this Bond Ordinance or waived;
3. Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Bond Ordinance; and
4. Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Bond Ordinance or by law.

***"Owner" or "Owners"*** when used with respect to any Bond, means the Person in whose name such Bond is registered in the Bond Register, initially, the Purchaser.

***"Payment Date"*** means the fifteenth day of each calendar month of each year during the period any of the Bonds are outstanding, commencing November 15, 2011; provided however, if such date is not a Business Day, then the next Business Day following such Payment Date.

***"Person"*** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

***"Prior Bond Ordinances"*** mean collectively, the Series 2007 bond Ordinance and the Ordinances of the Issuer adopted October 5, 2009 and October 4, 2010, providing for the issuance of the Prior Bonds.



**"Prior Bonds"** shall mean the Issuer's Hospital Refunding Bonds, Series 2007, in the total aggregate principal amount of not to exceed Two Million One Hundred Thousand Dollars (\$2,100,000); (ii) the Issuer's Hospital Revenue Bonds, Series 2009, in the total aggregate principal amount of not to exceed Four Hundred Thirty Thousand Five Hundred Dollars (\$430,500); and (iii) the Issuer's Revenue Bonds, Series 2010, in the total aggregate principal amount of not to exceed Two Hundred Fifty Four Thousand Four Hundred Six Dollars (\$254,406).

**"Purchaser"** means Citizens Bank & Trust, the initial purchaser of the Bonds.

**"Record Date"** for the interest payable on any Payment Date means the last Business Day of the calendar month next preceding such Payment Date.

**"Series 2007 Bond Ordinance"** means the Ordinance of the Issuer adopted November 2, 2007, relative to the Hospital Revenue Refunding Bonds, Series 2007, in the aggregate principal amount of \$2,100,000.

**"Series 2011A Bonds"** means the Issuer's Hospital Revenue Bonds, Series 2011A in the amount of \$400,000 authorized by this Bond Ordinance.

**"Series 2011B Bonds"** means the Issuer's Hospital Revenue Bonds, Series 2011B in the amount of \$500,000 authorized by this Bond Ordinance.

**SECTION 2. Authorization of Bonds. Maturities.** In compliance with and under the authority of the Act, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness of Nine Hundred Thousand Dollars (\$900,000) for, on behalf of and in the name of the Issuer, to pay the costs of the Project and to pay the costs of issuance therefor, and to fix the details of the Bonds, and to represent the said indebtedness, this Governing Authority does hereby authorize the issuance of Nine Hundred Thousand Dollars (\$900,000) of Hospital Revenue Bonds, Series 2011, of the Issuer. The Bonds shall be in fully registered form, shall be dated as of the date of delivery thereof and shall be issued initially as two (2) Term Bonds in substantially the form of **Exhibits A and B**, respectively, attached hereto, as follows:

\$400,000, 4% Series 2011A Term Bond Due \_\_\_\_\_ 1, 2016  
\$500,000, 4% Series 2011B Bond Due \_\_\_\_\_ 1, 2012

The Bonds shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid or duly provided for at the fixed rate of four percent (4.0%) per annum, payable monthly on the 15<sup>th</sup> day of each calendar month as set forth on **Exhibit B** hereto. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

The principal or redemption price hereof at maturity is payable only upon presentation and surrender of the bonds at the principal office of the Issuer in Homer, Louisiana, and principal and interest will be paid by check on each Payment Date by first class mail, postage prepaid to the person in whose name the Bond is registered on the Record Date, at the address of such

registered owner, shown on the books of the Issuer, except that such principal and interest payments and other amounts due pursuant to the Bonds or this Bond Ordinance (other than payment in full at maturity, whether by redemption, acceleration or otherwise) may be made by wire transfer in immediately available funds to any registered Owner who has designated to the Issuer an account for such payments at least 15 days before the Record Date therefor, such designation to remain in effect until withdrawn.

Each Bond delivered under this Bond Ordinance upon transfer of, 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.

The Bonds shall be subject to redemption prior to maturity only as provided in Section 3 hereof.

No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Bond Ordinance, executed by the Clerk of the Issuer by manual signature.

### **SECTION 3. Redemption Provisions.**

*Mandatory Amortized Redemption.* The Series 2011A Bonds are subject to mandatory amortized redemption without notice prior to their maturity on each Payment Date commencing \_\_\_\_\_ 1, 2011, as set forth on **Schedule 1** attached to **Exhibit A** attached hereto.

*Optional Redemption.* The Bonds are subject to optional redemption by the Issuer at any time without penalty.

Any Bond which is to be redeemed only in part may be surrendered at the principal office of the Issuer and there shall be delivered to the Owner of such Bond a new 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 so surrendered. Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

*Other Redemptions.* The Bonds are subject to acceleration of maturity following an Event of Default as set forth in Section 10 hereof.

*Notice of Redemption.* Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

**SECTION 4. Registration and Transfer.** The Clerk of the Issuer shall cause a Bond Register to be kept by the Issuer. The Bonds may be transferred, registered and assigned only on the Bond Register. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments of transfer and assignment acceptable to the Issuer. A new Bond or Bonds will be delivered by the Issuer 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 Authorized Denominations. The Issuer shall not be required to issue, register, transfer or exchange any Bond during a period beginning (i) at the opening of business on a Record Date and ending at the close of business on the next succeeding Payment Date or (ii) with respect to Bonds to be redeemed, from the opening of business fifteen (15) days before the date of the mailing of a notice of redemption of such Bonds until the date of such redemption.

**SECTION 5. Execution of Bonds.** The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, and the Legal Opinion Certificate shall be signed by the Clerk of the Issuer, which signatures and corporate seal may be either manual or facsimile.

**SECTION 6. Security for Bonds.** The Bonds shall be secured solely by a pledge of and security interest in all of the income, revenues and receipts derived or to be derived by the Issuer from the operation of the Hospital, after paying the reasonable and necessary expenses of operating and maintaining the Hospital which have not been previously paid by the Hospital, and additionally secured by the other revenues, funds, investments, assets and accounts of the Issuer in or properly allocable to the Hospital Enterprise Fund, including all interest, dividends, earnings, profits and proceeds thereof (collectively with the Hospital Revenues), and the Issuer hereby grants to the Purchaser a security interest in all of the foregoing for the purposes hereof as provided under La. R.S. 39:1430.1 and other constitutional and statutory authority, subject to the lien of the Prior Bonds. The Hospital Revenues are irrevocably and irrepealably pledged and dedicated for the payment of the Bonds, including principal, interest and premium, if any, as they shall respectively become due and payable and for the other purposes set forth in this Bond Ordinance. The Hospital Revenues shall remain so pledged for the security and payment of the Bonds and for all other payments and obligations provided for in this Bond Ordinance, until they shall have been fully paid and discharged.

**SECTION 7. Parity Bonds.** The Bonds shall be on a parity with the Prior Bonds, and shall be entitled to the same benefit and security (on a *pari passu* basis) of the pledge of Hospital Revenues; provided however, that the Bonds shall not be granted a security interest in the Hospital facilities under the Mortgage as described in the Series 2007 Bond Ordinance.

**SECTION 8. Fees, Rates, Charges.** The Issuer, through its Governing Authority, covenants to require the Hospital to fix, establish and maintain such fees, rates or other charges for the services and facilities to be rendered by the Hospital, and to revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year sufficient to pay the reasonable and necessary expenses of operating and maintaining the Hospital in each Fiscal Year, the principal and interest falling due on the Bonds in each Fiscal Year, all other payments required for such Fiscal Year by this Bond Ordinance, and all other obligations or indebtedness payable out of the revenues of the Hospital for such Fiscal Year. The Issuer further covenants:

(a) That the schedule of rates, fees, rents and other charges being charged as of the date of the adoption of this Bond Ordinance for services and facilities rendered by the Hospital shall remain in effect and neither said existing schedule nor any subsequent schedule shall be reduced at any time unless all payments required for all funds by this Bond Ordinance, including any deficiencies for prior payments, have been fully made, and unless such schedule as so reduced will in each year thereafter produce sufficient revenues to meet and fulfill the other provisions stated in this Bond Ordinance.

(b) That all of the income, revenues and receipts derived or to be derived by the Issuer from the operation of the Hospital shall be deposited as the same may be collected in a separate and special bank account within the Hospital Enterprise Fund with the regularly designated fiscal agent bank of the Hospital, known and designated as the Hospital Operating Fund (the "Operating Fund"), said Operating Fund to be maintained and administered in the following order of priority and for the following express purposes:

(i) The payment of all reasonable and necessary expenses of operating and maintaining the Hospital from month to month as the same become due and payable which have not been previously paid by the Hospital.

(ii) The payment of principal and the interest on the Bonds, promptly and in the full amounts as provided in the amortization schedule set forth on **Exhibit B** hereto, plus payments with respect to the Prior Bonds and any *pari passu* additional bonds issued hereafter in the manner provided in this Bond Ordinance and the Prior Bond Ordinance, as said bonds severally become due and payable. The Issuer shall transfer or otherwise make payments to the Owners on the date on which each payment of principal or interest is due, funds fully sufficient to pay promptly the principal and/or interest coming due on such date.

Subject to the terms and conditions hereof, which are cumulative, the balance of the excess funds on deposit in the Operating Fund may be used by the Issuer for the purpose of calling and/or paying bonds payable from the income and revenues of the Hospital (subject to restrictions and conditions on optional prepayment and redemption of the Bond herein) or for such other lawful corporate purposes as the Governing Authority may determine, whether or not such purposes are or are not related to the Hospital.

(c) That all or any part of the moneys on deposit within the Hospital Enterprise Fund (including amounts in the Operating Fund) shall be invested in Government Securities or other obligations permitted by Louisiana law under La. R.S. 33:2955. Such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which said respective funds are herein maintained.

**SECTION 9. Additional Covenants.** The Issuer does hereby covenant and warrant that so long as any of the Bonds are outstanding and unpaid in principal and/or interest:

(a) It is or will be lawfully seized and possessed of the Hospital; it has a legal right to pledge the Hospital Revenues, as herein provided and as provided in the other Bond documents; and that the Bonds herein authorized and any *pari passu* additional bonds hereafter issued as provided in this Bond Ordinance, including the Prior Bonds, will have a lien and privilege on



said Hospital Revenues subject only to the prior payment of all reasonable and necessary expenses of operating and maintaining the Hospital.

(b) It will at all times maintain the Hospital and the Project in first-class repair and working order and condition.

(c) It will maintain and carry at all times the following insurance coverage on the Hospital, and in any event all insurance required by applicable law:

*Fire and Extended Coverage Insurance* on all insurable physical properties of the Hospital (including, without limitation, the Project) in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed 80% of the full insurable value of the damaged property.

*Public Liability Insurance* relating to the operation of the Hospital facilities, with limits of not less than \$100,000 for one person and \$1,000,000 for more than one person involved in one accident or occurrence to protect the Issuer from claims for bodily injury and/or death; and not less than \$100,000 to protect the Issuer from claims from damage to property of others which may arise from the operation of the Hospital.

*Workmen's Compensation Insurance* as required by Louisiana law.

*Malpractice Insurance* as deemed necessary by the Issuer, but in any event of a type and amount maintained by facilities of a similar type and size to the Hospital in accordance with industry standards and sound business practices.

(d) It will maintain and keep proper books of record and accounts in which shall be made full and correct entries of all transactions relating to the Hospital, in accordance with generally accepted accounting principles, consistently applied. Not later than one hundred twenty (120) days after the close of each of its Fiscal Years, the Issuer shall cause an audit of such books and accounts to be made by an independent firm of certified public accountants, which audit shall reflect all receipts and disbursements made for the account of the Hospital and all assets and liabilities of the Hospital, in accordance with generally accepted auditing standards, consistently applied. So long as the Purchaser owns Outstanding Bonds having a principal balance of \$100,000 or more, the Issuer shall deliver or cause to be delivered to Purchaser within not more than one hundred twenty (120) days after the end of each Fiscal Year a complete copy of the audit and any related management letter for such Fiscal Year. Each such audit shall be available for inspection by and shall be furnished upon request to any Owner of any of the Bonds and to the Issuer. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

- (1) a statement in detail of the income and expenditures of the Hospital for such Fiscal Year.



- (2) A balance sheet as of the end of such Fiscal Year.
- (3) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Bond Ordinance, and the accountant's recommendations for any changes or improvements in the operation of the Hospital or the method of keeping the records relating thereto.
- (4) A list of the insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy.

All expenses incurred in the making of the audits required by this Section shall be regarded and paid as a maintenance and operation expense of the Hospital. The Issuer further agrees that the Purchaser, the Issuer and any other Owner of the Bonds shall have the right to discuss with the accountant making the audit the contents of the audit and ask for such additional information as it may reasonably require. The Issuer further agrees to furnish upon request to the Purchaser, or to such other Persons as it shall designate in writing, and to any other Owner of the Bonds, a monthly statement itemized to show the income and expenses of the operation of the Hospital, and such other information about the operations, condition, assets, liabilities, prospects, business and affairs of the Hospital and/or the Hospital Enterprise Fund as any of them may reasonably request. The Issuer further agrees that the Purchaser and any other Owner of any Bonds shall have at all reasonable times the right to inspect the Hospital and the records, accounts and data of the Issuer relating thereto.

(e) It will not sell, lease or in any manner dispose of the Hospital or any substantial part thereof, provided the Issuer may dispose of, or permit the Hospital to dispose of, property which in its or the Hospital's judgment is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the Hospital, when other property of equal value is substituted therefore, or the proceeds derived from the disposal of such property are used for constructing and acquiring extensions and improvements to the Hospital or repairing the Hospital.

(f) Except for the Prior Bonds and otherwise as provided herein, it will not voluntarily create or cause to be created any debt, lien, pledge, security interest mortgage, assignment, encumbrance, or any other charges having priority over or parity with the lien of the Bonds in or upon any of the Hospital Revenues.

(g) It shall require all officers and employees in a position of authority or in possession of money derived from the operation of the Hospital to be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds, written by a responsible indemnity company in amounts adequate to protect the Issuer from loss and satisfactory to Purchaser in its reasonable determination.

**SECTION 10. Events of Default.** Each of the following events is hereby declared to be an "Event of Default" under this Bond Ordinance:

- (a) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(b) The payment of the principal of or premium, if any, on any of the Bonds, or any other amount due pursuant hereto shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(c) Any representation or warranty made by the Issuer in this Ordinance or in any other Document or in any certificate, report or opinion (including legal opinions), financial statement or other instrument now or hereafter furnished in connection with this Ordinance, the Bond or any of the other Documents was incorrect in any material respect when made;

(d) Any breach, violation of, default or failure to perform any of the Issuer's Obligations under this Bond Ordinance or any other breach, violation of, default or failure to perform any of the Issuer's obligations that is intentional or in the opinion of the Owners of not less than 75% of the Bonds then outstanding not capable of being cured within 90 days;

(e) The commencement of any case or proceeding under any bankruptcy, insolvency, reorganization or moratorium or other law relating to relief of debtors by or against the Issuer or the Hospital, or the appointment of a trustee, receiver, custodian for all or any substantial part of the property of the Issuer or the Hospital;

(f) Any term or provision of this Ordinance that materially affects the rights or remedies intended to be granted to the Owners pursuant hereto is determined by a final, nonappealable decision of a court of competent jurisdiction to be invalid, illegal or enforceable;

(g) A Determination of Taxability; or

(h) Default by the Issuer or the Hospital in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Ordinance, if such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Owners of not less than 75% of the then outstanding principal amount of the Bonds, provided that any such default shall not be an Event of Default if it is not capable of being cured within 30 days, but is capable of being cured within 90 days, if Issuer promptly commences the cure of such default and continuously and diligently presents the same to completion and such default is fully cured within 90 days after the occurrence thereof.

The word "default" as used herein means any breach, violation or failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure.

**SECTION 11. Acceleration Under Default.** If an Event of Default shall have occurred under Section 10 hereof, then the Owners of 75% of the then outstanding Bonds may declare all of the Bonds then outstanding to be immediately due and payable, and all such Bonds shall thereupon become and be immediately due and payable, and shall thereafter bear interest at the Default Rate. Anything in such Bonds or in this Bond Ordinance contrary notwithstanding, in such event, there shall be due and payable on the Bonds an amount equal to the principal amount

of all the Bonds then outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment, and the Owners and to enforce the provisions of this Bond Ordinance and seize upon any collateral in the manner provided in Section 13 and Section 14 hereof.

**SECTION 12. Additional Rights of Owners.** Without limiting the rights under Section 10 above, and any other rights and remedies herein, the Owners of the Bonds from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State of Louisiana. Any Owners of the Bonds or any trustee acting for such Owners in the manner provided in Section 10 hereof may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Louisiana, or granted and contained in this Bond Ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance, or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof, including the fixing, charging and collecting or rentals, fees or other charges for the use of the Hospital and in general to take any action necessary to most effectively protect the right of the said Owners and to exercise all rights of the Owners with respect to the Hospital Revenues. The Owners of not less than 75% of the Bonds then outstanding may cause any such action to be taken.

**SECTION 13. Appointment of Trustee or Receiver in Event of Default** Upon the occurrence of any Event of Default, and without limiting any other rights or remedies, the Owner or Owners of Bonds in an aggregate principal amount of not less than seventy-five percent (75%) of the Bonds then outstanding shall be entitled to the appointment of a receiver of the Hospital in an appropriate judicial proceeding in a court of competent jurisdiction. Any receiver so appointed shall forthwith directly or by his agents and attorneys, enter into and upon and take possession of the Hospital, and each and every part thereof, and shall hold, operate and maintain, manage and control the Hospital, and each and every part thereof, and in the name of the Issuer or its own name may exercise any or all the rights and powers of the Issuer with respect to the Hospital as the Issuer itself might do. Such receiver shall collect and receive all rates, fees, rentals and other revenues, maintain and operate the Hospital. After payment of the ordinary operating expenses of the Hospital, any such receiver shall cause to be paid to the Owners all of the revenues derived and to be derived from the operation of the Hospital until all principal, interest, premium, if any, and other amounts owed to the Owners pursuant hereto have been paid in full. All such amounts may be applied by the Owners in such order and manner as the Owners may determine.

Whenever all that is due upon the Bonds, including all interest thereon, and under any covenants of this Bond Ordinance, and upon any other obligations, including interest thereon, shall have been paid in full and made good, and all defaults under the provisions of this Bond Ordinance shall have been cured and made good, possession of the Hospital shall be surrendered to the Issuer upon the entry of an order of the court to that effect.

Such receiver, in the performance of the powers hereinabove conferred upon him by and under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court, and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Subject to the terms and provisions hereof, until an Event of Default shall have occurred, the Issuer shall retain full possession and control of the Hospital with full right to manage, operate and use the same and every part thereof with the rights appertaining thereto, and to collect and receive, and to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the Hospital.

**SECTION 14. Issuance of Additional Bonds; Parity Requirements.** Except for the Prior Bonds, the Issuer shall issue no other bonds or obligations and shall incur no indebtedness of any nature payable from or enjoying or having a lien, security interest, mortgage or claim on any revenues of the Hospital and having priority over or parity with the Bonds or any security therefore ("Additional Hospital Bonds") except that Additional Hospital Bonds may hereafter be issued on a parity with the Bonds under the following conditions, viz:

1. Subject to the terms and conditions of this Bond Ordinance, including without limitation Section 3 hereof, 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 refunded, 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 the Bonds outstanding is so refunded and the refunding bonds require total principal and interest payments during any sinking fund year in excess of the principal and interest which would have been required in such year to pay the Bonds refunded thereby, then such Bond may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause 2 below).

2. Additional Hospital Bonds may also be issued on a parity with the Bonds herein authorized (i) with the prior written consent of all of the Owner(s); or (ii) without the prior written consent of the Owner(s) if all of the following conditions are met:

(1) The Issuer is in full compliance with all terms of this Ordinance and there is no default or delinquency in the payment of principal or interest on any Bonds outstanding, including any *pari passu* Additional Hospital Bonds previously issued, or any other obligation pursuant hereto; and

(2) The Issuer's Debt Service Coverage Ratio is not less than 1.50 as of the date of issuance of such Additional Hospital Bonds.

This Section 14 shall not be deemed as any restriction of the Issuer to issue additional bonds or other debt obligations that are not considered Additional Hospital Bonds as defined above.

**SECTION 15. Recital of Regularity.** This Governing Authority having investigated the regularity of the proceeding had in connection with the Bonds herein authorized and having determined the same to be regular, 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 the State of Louisiana.



**SECTION 16. Mutilated, Destroyed, Stolen or Lost Bonds.** If (1) any mutilated Bond is surrendered to the Issuer and the Issuer receives evidence to its satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer such security or indemnity as may be required by it to save it harmless, then, in the absence of notice of the Issuer that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Issuer shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond. Upon the Issuance of any new Bond under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Issuer) connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Bond Ordinance equally and ratably with all other Outstanding Bonds. By additional procedures set forth in the Agreement, authorized in this Bond Ordinance, shall also be available with respect to mutilated, destroyed, lost, or stolen Bonds. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

**SECTION 17. Bond Ordinance and Contract Amendment.** The provisions of this Bond Ordinance shall constitute a contract between the Issuer and Owner or Owners from time to time of the Bonds, and any such Owner or Owners may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by this Governing Authority as a result of issuing the Bonds.

No modification or amendment of this Bond Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Bonds then outstanding, provided, however, that no such modification or amendment shall change or permit a change in the maturity or the redemption provisions of the Bonds, or a reduction in the rate of interest thereon, or in the amount of the principal obligations thereof, or affecting the obligation of the Issuer to pay the principal of and interest on the Bonds as the same shall become due from the revenues of the Hospital, or change the requirements specified herein for the issuance of *pari passu* bonds under the provisions of this Bond Ordinance, or reduce the percentage of the Owners of the Bonds required to consent to any modification or amendment of this Bond Ordinance, or release, subordinate or impair or reduce any lien, security interest, pledge, mortgage or other security for the Bonds, without the prior written consent of all such Owners.

**SECTION 18. Issuance of Bonds - Application of Proceeds.** 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 Bond Ordinance, to cause the necessary Bonds to be printed, to issue, execute and seal the Bonds and to effect delivery thereof as hereinafter



provided, and to cause the Issuer to perform its obligations as provided herein and as such Officers may deem proper, necessary or appropriate.

**SECTION 19. Effect of Registration.** The Issuer and any agent of the Issuer may treat the Owner in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, the Issuer or any agent thereof shall not be affected by notice of the contrary.

**SECTION 20. Notices to Owners.** Wherever this Bond Ordinance provides for notice to Owners of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register. In any case where notice to owners of Bonds is given by mail, neither the failure to mail such notice to any particular Owner of Bonds, or any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Bond Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner or Owners entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waiver of notice by Owners shall be filed with the Issuer, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 21. Cancellation of Bonds.** All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Issuer shall be promptly canceled by it.

**SECTION 22. Severability; Application of Subsequently Enacted Laws.** In case any one or more of the non-material provisions of this Bond Ordinance or of the Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not effect any other provisions of this Bond Ordinance of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Bond Ordinance which validate or make legal any provisions of this Bond Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Bond Ordinance and to the Bonds.

**SECTION 23. Discharge of Bond Ordinance; Defeasance.** Subject to the terms and provisions hereof, including without limitation Section 3, if the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners, the principal (and redemption price) of and the interest on the Bonds, and any and all other obligations of the issuer pursuant hereto, at the times and in the manner stipulated in this Bond Ordinance, then the pledge of the money, securities, and funds pledged under this Bond Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners of the Bonds shall thereupon cease, terminate, and become void and be discharged and satisfied, provided that a certificate of any Owner that any obligation of the Issuer has not been satisfied in full shall be presumptively deemed to be correct.

Bonds or interest installments for the payment or redemption of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be

deemed to have been paid, prior to their maturity, within the meaning and with effect expressed above in this Section if there shall have been deposited in trust either money in an amount which shall be sufficient, or Government Securities the principal of, and the interest on which when due will provide money which, together with the money, if any, deposited in trust at the same time, shall be sufficient to pay when due the principal of, premium, if any, and interest to become due on such Bonds on and prior to the stated maturity or (if notice of the call for redemption has been duly given or waived or if irrevocable arrangements therefor have been made) redemption date thereof neither Government Securities nor money deposited in trust pursuant to this Section, nor principal or interest payments on any such Government Securities, shall be withdrawn or used for any such purpose other than, and shall be held in trust for, the payment of the principal (and redemption price) of and interest on such Bonds. Any cash received from such principal of and interest on such investment securities deposited in trust, and if not needed for such purpose shall, to the extent practicable, be reinvested in Government Securities (which may be non-interest bearing) maturing at times and in amounts sufficient to pay when due the principal, premium, if any, of and interest on such Bonds on and prior to the maturity thereof and interest earned from such reinvestments shall be paid over to the Issuer as received by the depository, free and clear of any trust, lien or pledge. Any payment for Government Securities purchased for the purpose of reinvesting money as aforesaid shall be made only against delivery of such Government Securities.

**SECTION 24. Sale of Bonds.** The sale of the Bonds to the Purchaser is hereby in all respects approved, ratified and confirmed and after their execution, the Bonds shall be delivered to the Purchaser or at the direction of the Purchaser or its agents or assigns, upon receipt by the Clerk of the Issuer of the agreed purchase price. The execution and delivery on behalf of the Issuer by the Mayor or the Clerk of the Issuer is hereby approved and ratified in all respects. The Mayor and Clerk of the Issuer are each hereby empowered, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by them necessary or advisable to implement this Bond Ordinance or facilitate the sale of the Bonds.

No sale, transfer or disposition of the Bonds shall in any case be made except to a commercial or savings bank, insurance company, financial institution or other sophisticated or "accredited" investor within the meaning of Section 2(15) of the Securities Act of 1933.

**SECTION 25. Disclosure Under SEC Rule 15c2-12.** It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission (17-CFR Section 240.15c212(b), because the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities; furthermore, this offering is exempt under Rule 15c2-12(d)(1)(i) as the Bonds are being issued in denominations of \$100,000 or more and are being sold to less than 35 persons meeting the requirements of subsections A and B thereof. Notwithstanding the foregoing, nothing in this Section 26 shall relieve the Issuer of its obligations under Section 6 of this Bond Ordinance.

**SECTION 26. Publication of Bond Ordinance. Preemption.** A copy of this Bond Ordinance shall be published immediately after its adoption in one issue of the official journal of the Issuer. For a period of thirty (30) days after the date of such publication, any person in interest shall have the right to contest the legality of this Bond Ordinance, the Bonds to be issued

pursuant hereto and the security for such Bonds. After the expiration of said thirty (30) day period, no one shall have any right of action to contest the validity of the Bonds, the provisions of this Bond Ordinance or the security of the Bonds for any cause whatsoever, and the Bonds shall thereafter be conclusively presumed to be legal and no court shall thereafter have authority to inquire into such matters.

**SECTION 27. Tax Covenant.** The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bond to be an "arbitrage bond" or would result in the inclusion of the interest on the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate or arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bond to be "private activity bonds".

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

- (a) the Bonds are not "private activity bonds" within the meaning of the Code;  
and
- (b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Issuer and all subordinate entities in calendar year 2011 will not exceed \$10,000,000.

**SECTION 28. Section Headings.** The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

**EXHIBIT A**

**FORM OF SERIES 2011A BOND**

No. AR-1

UNITED STATES OF AMERICA  
STATE OF LOUISIANA

TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA,  
HOSPITAL REVENUE BONDS, SERIES 2011

MATURITY DATE	INTEREST RATE	DATED DATE
, 2016	4.0%	, 2011

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \$400,000

TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA (the "Issuer"), for value received, hereby promises to pay (but only from the sources as hereinafter provided) to the Registered Owner identified above or registered assigns, on the Maturity Date set forth above (subject to monthly repayment of the Principal Sum as a result of mandatory amortized redemption, optional and extraordinary mandatory redemptions or accelerations as hereinafter provided), the Principal Sum identified above in lawful money of the United States of America; and to pay interest thereon in like money, until payment of such Principal Sum, at the Interest Rate per annum set forth above, on the fifteenth day of each month of each year during the period any of the Bonds are outstanding, commencing \_\_\_\_\_, 2011, provided however if such date is not a Business Day, then the next Business Day following such date (each such date a "Payment Date"). The Principal Sum of the Bonds is subject to mandatory amortized redemption prior to maturity on each Payment Date as set forth on **Schedule 1** hereto.

The principal or redemption price hereof at maturity is payable only upon presentation and surrender hereof at the principal office of the Issuer in Homer, Louisiana, and principal and interest will be paid by check on each Payment Date by first class mail, postage prepaid to the person in whose name this Bond is registered on the Record Date (as hereinafter defined), at the address of such registered owner, shown on the books of the Issuer, except that such principal and interest payments and other amounts due pursuant to this Bond or the Bond Ordinance (other than payment in full at maturity, whether by redemption, acceleration or otherwise) may be made by wire transfer in immediately available funds to any registered owner who has designated to the Issuer an account for such payments at least 15 days before the Record Date therefor, such designation to remain in effect until withdrawn. Except as otherwise provided in the Bond Ordinance, "Record Date" means the last business day of the month (whether or not a business day) prior to each Payment Date.

This Bond is one of an authorized issue aggregating in principal the sum of Nine Hundred Thousand Dollars (\$900,000) of the Issuer designated "Town of Homer, Parish of Claiborne, State of Louisiana Hospital Revenue Bonds, Series 2011" (the "Bonds"). The Bonds



are issued under and secured by a Bond Ordinance adopted by the Issuer on \_\_\_\_\_, 2011 (the "Bond Ordinance"). Capitalized, undefined terms used herein have the meanings given them in the Bond Ordinance. Reference is hereby made to the Bond Ordinance for a description of the rights thereunder of the registered owners of the Bond, of the nature and extent of the security, and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Bond Ordinance the registered owner of this Bond, by acceptance hereof, assents and agrees.

This Bond will bear interest from the date hereof or from the most recent interest payment date to which interest has been paid or duly provided for at the fixed rate of four percent (4.0%) per annum, payable on the 15<sup>th</sup> day of each calendar month. Interest on this Bond will be computed on the basis of the 360-day year of twelve 30-day months.

THIS BOND IS A LIMITED AND SPECIAL OBLIGATION OF THE ISSUER AND IS PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE BOND ORDINANCE. THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION, DEBT OR LIABILITY OF THE TOWN OF HOMER, THE PARISH OF CLAIBORNE, THE STATE OF LOUISIANA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND.

NO SALE, TRANSFER OR DISPOSITION OF THE BONDS SHALL IN ANY CASE BE MADE EXCEPT TO A COMMERCIAL OR SAVINGS BANK, INSURANCE COMPANY, FINANCIAL INSTITUTION OR OTHER SOPHISTICATED OR "ACCREDITED" INVESTOR WITHIN THE MEANING OF SECTION 2(15) OF THE SECURITIES ACT OF 1933.

No covenant or agreement contained in the Bonds or in the Bond Ordinance may be deemed to be the covenant or agreement of any director, member, official, officer, agent, or employee of the Issuer in his or her individual capacity, and none of the directors, members, officials, officers, agents or employees of the Issuer executing or authenticating the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The Bonds shall be secured by and payable in principal and interest primarily by a pledge of all income and revenues derived or to be derived by the Issuer from the operation of the Hospital, including earnings on investments in the funds and accounts described in Section 6 of the Bond Ordinance, after paying the reasonable and necessary expenses of operating and maintaining the Hospital which have not been previously paid by the Hospital ("Hospital Revenues"), as more fully set forth in the Bond Ordinance, pursuant to the Constitution and laws of the State of Louisiana. Said Hospital Revenues are hereby irrevocably and irrepealably pledged and dedicated for the payment of the Bonds, including principal, premium, if any, and interest and all other obligations of the Issuer pursuant to the Bond Ordinance, as they shall respectively become due and payable and for the other purposes set forth in the Bond Ordinance. All of the income, revenues and receipts thus pledged shall be set aside in the Operating Fund and shall remain so pledged for the security and payment of the Bonds and for all other payments provided for in the Bond Ordinance, until they shall have been fully paid and discharged.



The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any whole dollar amount in excess thereof.

The Bonds are subject to Mandatory Amortized Redemption without notice prior to their maturity on each Payment Date commencing \_\_\_\_\_, 2011, as set forth on **Schedule 1** hereto.

The Bonds are subject to optional redemption by the Issuer at any time without penalty.

Any Bond which is to be redeemed only in part may be surrendered at the principal office of the Issuer and there shall be delivered to the Owner of such Bond a new 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 so surrendered. Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

The Bonds are subject to acceleration of maturity following an Event of Default as set forth in the Bond Ordinance.

Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

If an Event of Default occurs, the principal of and all accrued interest on all Bonds may be declared due and payable by the Owners upon the conditions, in the manner and with the effect provided in the Bond Ordinance. The Bond Ordinance provides that in certain events such declaration and its consequences may be rescinded.

Registration of any Bond may be transferred on the books of the Issuer required to be kept pursuant to the Bond Ordinance, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Issuer, accompanied by a written instrument of transfer in a form acceptable to the Issuer, duly executed. Bonds may be exchanged at the principal office of the Issuer for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Issuer may require the payment by the registered owner requesting any such transfer or exchange of any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, but any such transfer or exchange will otherwise be made without charge to the registered owner requesting the same.

The Issuer hereby certifies that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Louisiana.

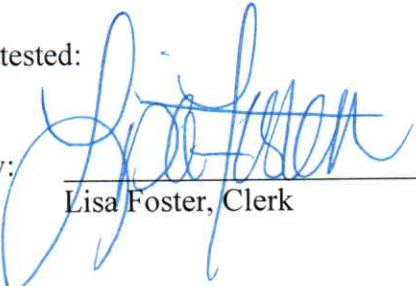
This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.

This Bond will not be entitled to any benefit under the Bond Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed has been signed by the Issuer.

**IN WITNESS WHEREOF, THE TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA** has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its Clerk, and its seal to be impressed or imprinted hereon, all as of the Dated Date set forth above.

**TOWN OF HOMER, PARISH OF  
CLAIBORNE,  
STATE OF LOUISIANA,**  
as Issuer

[SEAL]

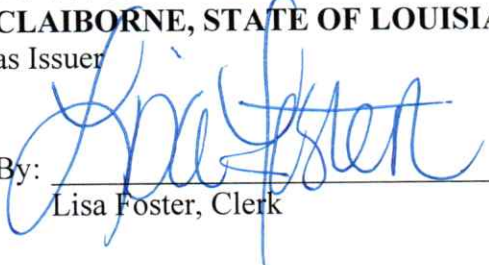
Attested:   
By: Lisa Foster, Clerk

By: \_\_\_\_\_  
Alecia Smith, Mayor

**CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Bond Ordinance and has been registered on this date:

**TOWN OF HOMER, PARISH OF  
CLAIBORNE, STATE OF LOUISIANA,**  
as Issuer

By:   
Lisa Foster, Clerk

## ASSIGNMENT

For value received the undersigned does hereby sell, assign and transfer unto:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Please print or type the name and address, including the Zip Code of the transferee, and the federal taxpayer identification or social security number)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s):

\_\_\_\_\_  
Attorney to transfer the within Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature Guaranteed:

\_\_\_\_\_

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

\* \* \*

**(PROVISIONS FOR REGISTRATION)**

This Bond R-1 has been registered as to principal and interest in the name of the registered owner hereof on the books of the Clerk of the Town of Homer, Parish of Claiborne, State of Louisiana, as Registrar, as follows:

<b>Date of Registration</b>	<b>Name of Registered Owner</b>	<b>Signature of clerk</b>
_____, <b>2011</b>	_____ Bank	_____ <b>Lisa Foster, Clerk</b>



**SCHEDULE 1**  
**AMORTIZATION REDEMPTION**

## EXHIBIT B

### FORM OF SERIES 2011B BOND

No. BR-1

UNITED STATES OF AMERICA  
STATE OF LOUISIANA

TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA,  
HOSPITAL REVENUE BONDS, SERIES 2011

MATURITY DATE	INTEREST RATE	DATED DATE
1, 2012	4.0%	, 2011

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \$500,000

TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA (the "Issuer"), for value received, hereby promises to pay (but only from the sources as hereinafter provided) to the Registered Owner identified above or registered assigns, on the Maturity Date set forth above (subject to monthly repayment of the Principal Sum as a result of mandatory amortized redemption, optional and extraordinary mandatory redemptions or accelerations as hereinafter provided), the Principal Sum identified above in lawful money of the United States of America; and to pay interest thereon in like money, until payment of such Principal Sum, at the Interest Rate per annum set forth above, on the fifteenth day of each month of each year during the period any of the Bonds are outstanding, commencing \_\_\_\_\_, 2011, provided however if such date is not a Business Day, then the next Business Day following such date (each such date a "Payment Date").

The principal or redemption price hereof at maturity is payable only upon presentation and surrender hereof at the principal office of the Issuer in Homer, Louisiana, and principal and interest will be paid by check on each Payment Date by first class mail, postage prepaid to the person in whose name this Bond is registered on the Record Date (as hereinafter defined), at the address of such registered owner, shown on the books of the Issuer, except that such principal and interest payments and other amounts due pursuant to this Bond or the Bond Ordinance (other than payment in full at maturity, whether by redemption, acceleration or otherwise) may be made by wire transfer in immediately available funds to any registered owner who has designated to the Issuer an account for such payments at least 15 days before the Record Date therefor, such designation to remain in effect until withdrawn. Except as otherwise provided in the Bond Ordinance, "Record Date" means the last business day of the month (whether or not a business day) prior to each Payment Date.

This Bond is one of an authorized issue aggregating in principal the sum of Nine Hundred Thousand Dollars (\$900,000) of the Issuer designated "Town of Homer, Parish of Claiborne, State of Louisiana Hospital Revenue Bonds, Series 2011" (the "Bonds"). The Bonds are issued under and secured by a Bond Ordinance adopted by the Issuer on \_\_\_\_\_, 2011

(the "Bond Ordinance"). Capitalized, undefined terms used herein have the meanings given them in the Bond Ordinance. Reference is hereby made to the Bond Ordinance for a description of the rights thereunder of the registered owners of the Bond, of the nature and extent of the security, and of the rights and obligations of the Issuer thereunder, to all of the provisions of which Bond Ordinance the registered owner of this Bond, by acceptance hereof, assents and agrees.

This Bond will bear interest from the date hereof or from the most recent interest payment date to which interest has been paid or duly provided for at the fixed rate of four percent (4.0%) per annum, payable on the 15<sup>th</sup> day of each calendar month. Interest on this Bond will be computed on the basis of the 360-day year of twelve 30-day months.

THIS BOND IS A LIMITED AND SPECIAL OBLIGATION OF THE ISSUER AND IS PAYABLE SOLELY FROM THE SOURCES PROVIDED IN THE BOND ORDINANCE. THIS BOND DOES NOT CONSTITUTE A GENERAL OBLIGATION, DEBT OR LIABILITY OF THE TOWN OF HOMER, THE PARISH OF CLAIBORNE, THE STATE OF LOUISIANA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS BOND.

NO SALE, TRANSFER OR DISPOSITION OF THE BONDS SHALL IN ANY CASE BE MADE EXCEPT TO A COMMERCIAL OR SAVINGS BANK, INSURANCE COMPANY, FINANCIAL INSTITUTION OR OTHER SOPHISTICATED OR "ACCREDITED" INVESTOR WITHIN THE MEANING OF SECTION 2(15) OF THE SECURITIES ACT OF 1933.

No covenant or agreement contained in the Bonds or in the Bond Ordinance may be deemed to be the covenant or agreement of any director, member, official, officer, agent, or employee of the Issuer in his or her individual capacity, and none of the directors, members, officials, officers, agents or employees of the Issuer executing or authenticating the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The Bonds shall be secured by and payable in principal and interest primarily by a pledge of all income and revenues derived or to be derived by the Issuer from the operation of the Hospital, including earnings on investments in the funds and accounts described in Section 6 of the Bond Ordinance, after paying the reasonable and necessary expenses of operating and maintaining the Hospital which have not been previously paid by the Hospital ("Hospital Revenues"), as more fully set forth in the Bond Ordinance, pursuant to the Constitution and laws of the State of Louisiana. Said Hospital Revenues are hereby irrevocably and irrepealably pledged and dedicated for the payment of the Bonds, including principal, premium, if any, and interest and all other obligations of the Issuer pursuant to the Bond Ordinance, as they shall respectively become due and payable and for the other purposes set forth in the Bond Ordinance. All of the income, revenues and receipts thus pledged shall be set aside in the Operating Fund and shall remain so pledged for the security and payment of the Bonds and for all other payments provided for in the Bond Ordinance, until they shall have been fully paid and discharged.

The Bonds are issuable only as fully registered Bonds without coupons in denominations of \$100,000 and any whole dollar amount in excess thereof.

The Bonds are subject to optional redemption by the Issuer at any time without penalty.

Any Bond which is to be redeemed only in part may be surrendered at the principal office of the Issuer and there shall be delivered to the Owner of such Bond a new 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 so surrendered. Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

The Bonds are subject to acceleration of maturity following an Event of Default as set forth in the Bond Ordinance.

Official notice of a call of any of the Bonds for redemption shall be given by the Issuer by U. S. first class mail, postage prepaid, not less than thirty (30) days prior to the redemption date, addressed to the Owner of each Bond to be redeemed at its address as shown on the Bond Register.

If an Event of Default occurs, the principal of and all accrued interest on all Bonds may be declared due and payable by the Owners upon the conditions, in the manner and with the effect provided in the Bond Ordinance. The Bond Ordinance provides that in certain events such declaration and its consequences may be rescinded.

Registration of any Bond may be transferred on the books of the Issuer required to be kept pursuant to the Bond Ordinance, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Issuer, accompanied by a written instrument of transfer in a form acceptable to the Issuer, duly executed. Bonds may be exchanged at the principal office of the Issuer for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations. The Issuer may require the payment by the registered owner requesting any such transfer or exchange of any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange, but any such transfer or exchange will otherwise be made without charge to the registered owner requesting the same.

The Issuer hereby certifies that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by the Constitution and laws of the State of Louisiana.

This Bond has been designated by the Issuer as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code.




This Bond will not be entitled to any benefit under the Bond Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed has been signed by the Issuer.

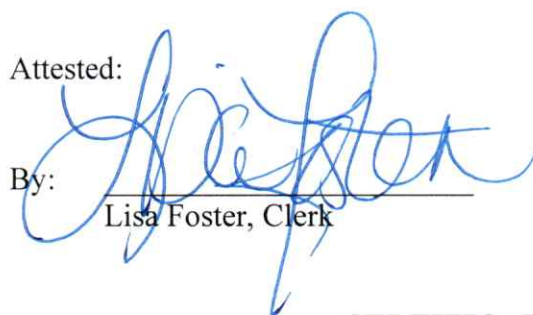
**IN WITNESS WHEREOF, THE TOWN OF HOMER, PARISH OF CLAIBORNE, STATE OF LOUISIANA** has caused this Bond to be executed in its name by the manual or facsimile signature of its Mayor, attested by the manual or facsimile signature of its Clerk, and its seal to be impressed or imprinted hereon, all as of the Dated Date set forth above.

**TOWN OF HOMER, PARISH OF  
CLAIBORNE,  
STATE OF LOUISIANA,**  
as Issuer

[SEAL]

By:   
Alecia Smith, Mayor

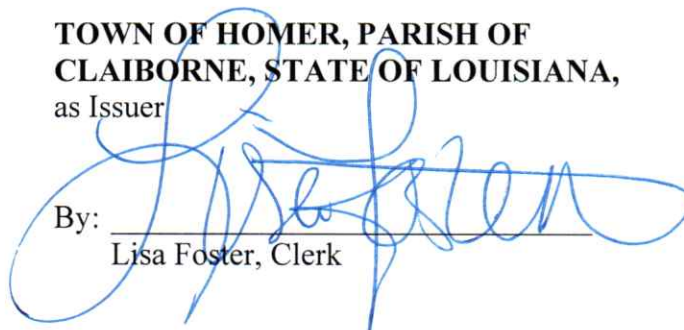
Attested:

By:   
Lisa Foster, Clerk

**CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Bond Ordinance and has been registered on this date:

**TOWN OF HOMER, PARISH OF  
CLAIBORNE, STATE OF LOUISIANA,**  
as Issuer

By:   
Lisa Foster, Clerk

## ASSIGNMENT

For value received the undersigned does hereby sell, assign and transfer unto:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Please print or type the name and address, including the Zip Code of the transferee, and the federal taxpayer identification or social security number)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s):

\_\_\_\_\_  
Attorney to transfer the within Bond on the books kept for registration and transfer thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_


NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

\* \* \*

**(PROVISIONS FOR REGISTRATION)**

This Bond R-1 has been registered as to principal and interest in the name of the registered owner hereof on the books of the Clerk of the Town of Homer, Parish of Claiborne, State of Louisiana, as Registrar, as follows:

<b>Date of Registration</b>  _____, <b>2011</b>	<b>Name of Registered Owner</b>  _____ <b>Bank</b>	<b>Signature of clerk</b>  _____ <b>Lisa Foster, Clerk</b>
		_____

**SCHEDULE 1**  
**AMORTIZATION REDEMPTION**



**SECTION 29. Effective Date.** This Bond Ordinance shall become effective immediately upon publication in accordance with law. This Bond Ordinance having been submitted to a vote, the vote thereon was as follows:

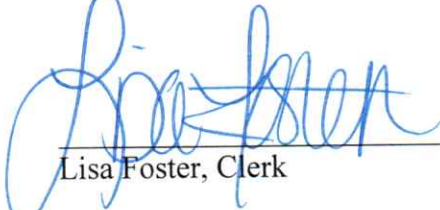
YEAS: 5


NAYS: 0

ABSENT: 0

And the Bond Ordinance was declared enacted on this, the 7<sup>th</sup> day of November

2011.

  
\_\_\_\_\_  
Lisa Foster, Clerk

  
\_\_\_\_\_  
Alecia Smith, Mayor

**STATE OF LOUISIANA**

**PARISH OF CLAIBORNE**

I, the undersigned Clerk of the Board of Selectmen of the Town of Homer, Louisiana (the "Issuer") do hereby certify that the foregoing constitutes a true and correct copy of the Bond Ordinance enacted by the Issuer on Nov 7th, 2011, prescribing the form, terms and conditions of said Bonds; designating the date, denomination and place of payment of said Bonds; providing for the payment thereof in principal and interest; and providing for other matters in connection therewith with respect to the issuance, sale and delivery of \$900,000 of Hospital Revenue Bonds, Series 2011, which Bond Ordinance was duly enacted by the Board of Selectmen of the Town of Homer, acting as governing authority of the Issuer, at a meeting duly called, noticed and held and at which meeting a quorum was present and voting.

I further certify that said Bond Ordinance has not been amended or rescinded and is in full force and effect.

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Issuer on this 7th day of November, 2011.

  
\_\_\_\_\_  
Lisa Foster, Clerk