

CITY OF CROWLEY
REGULAR MEETING
DECEMBER 11, 2012

The Mayor and Board of Aldermen of the City of Crowley, Louisiana, the governing authority of the City of Crowley, met in a regular session at 6:00 p.m. Tuesday the 11th day of December, 2012 at the regular meeting place of said Mayor and Board of Aldermen, the Council Chambers, 426 North Avenue F, Crowley, Louisiana.

Mayor Greg A. Jones presided with the following Aldermen present: Bryan Borill, J. Elliot Doré, Jeff Doré, Mary Melancon, Steven Premeaux and Kitty Valdetero. Aldermen Lyle Fogleman Jr., Vernon Martin, and Laurita Pete-(due to illness) were absent.

Aldерwoman Kitty Valdetero led the Pledge of Allegiance to the flag. Mayor Jones gave the invocation.

PUBLIC HEARINGS:

Mayor Jones opened the public hearing on proposed ordinance no. 1451, the ordinance was read by title as follows:

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) OF TAXABLE SEWER REVENUE BONDS, SERIES 2013, OF THE CITY OF CROWLEY, STATE OF LOUISIANA, PRESCRIBING THE FORM, FIXING THE DETAILS AND PROVIDING FOR THE PAYMENT THEREOF, PROVIDING FOR THE SALE THEREOF AND ENTERING INTO CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE SECURITY AND PAYMENT OF SAID BONDS, AND PROVIDING FOR OTHER MATTERS PERTAINING TO THE ISSUANCE OF THE BONDS.

Mayor Jones asked for proponents to the proposed ordinance no. 1451. A third and final call was made with no one coming forward to speak. The call for opponents of the proposed ordinance no. 1451 was made and there were no comments after the third and final call. The public hearing on ordinance no. 1451 was closed.

READING & APPROVAL OF MINUTES / BILLS:

Alderman Bryan Borill moved to dispense with the reading of the minutes of the November 13th, 2012 regular council meeting and approve them as written and distributed. Seconded by Alderwoman Kitty Valdetero and duly adopted.

Alderman Steven Premeaux moved to approve all bills presented for payment. Seconded by Alderman Jeff Doré and duly adopted.

PROCLAMATION:

Mayor Jones proclaimed and presented the following:

Proclamation

- Whereas, at all levels, girls' athletics are effective avenues to develop self-discipline, initiative, confidence, and leadership skills; and
- Whereas, Notre Dame Lady Pios Volleyball Team won the Division IV State Championship on Saturday, November 11, 2012; and
- Whereas, the City of Crowley is proud of the record the Lady Pios have earned and the fine publicity they have brought to our community by their good sportsmanship and inspired team play; and
- Whereas, Notre Dame High School of Crowley, Louisiana has a rich history of academic and athletic prowess; and,
- Whereas, the bonds built among the girls through athletics help break down social barriers, and the communication and cooperation skills learned play a key role in the athlete's contributions at home and at work; and
- Now, Therefore, I, Greg A. Jones, Mayor of the City of Crowley, Louisiana, do hereby declare November 11, 2012 as

Lady Pios Volleyball Team Day

and call upon the citizens of Crowley and Acadia Parish to join me in extending congratulations to the players, coaches, managers, and scorekeepers of this outstanding team.

IN WITNESS WHEREOF, I have hereunto set my hand officially and caused the Great Seal of the City of Crowley to be affixed this the 13th day of November, 2012.

S/ Greg A. Jones, Mayor
City of Crowley, Louisiana

MAYOR'S REPORT:

Mayor Jones presented the Sales Tax chart and User Fee chart that track the collection trend.

STANDING COMMITTEE REPORTS:

PUBLIC WORKS COMMITTEE:

Chairperson – Alderwoman Mary Melancon
Vice-Chairperson – Alderwoman Laurita Pete
Members – Aldermen Jeff Doré, Lyle Fogleman, Jr. and Vernon Martin

A motion was offered by Alderwoman Mary Melancon and seconded by Alderman Bryan Borill to approve the Sixth Ward Drainage District proposal for the bulkhead project in the Center Ditch at West 7th Street and Avenue F and the maintenance work at the Jacob Avenue Bridge. Mayor Jones is authorized to enter into an Intergovernmental Agreement between the City of Crowley, the Sixth Ward Drainage, and the Acadia Parish Police Jury each being responsible for 1/3 of the total cost of the project that is estimated to be \$31,418. Motion carried.

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE:

Chairperson – Alderman Jeff Doré
Vice-Chairperson – Alderwoman Mary Melancon
Members – Aldermen Bryan Borill, Laurita Pete and Kitty Valdetero

A motion was offered by Alderman Jeff Doré and seconded by Alderwoman Mary Melancon to approve the request of Dollie Monroe of Cultural & Creative Arts to co-sponsor a Summer Camp at the Rice Festival building for six weeks during the summer. Motion carried.

REVENUE & FINANCES COMMITTEE:

Chairperson – Alderman J. Elliot Doré
Vice-Chairperson – Alderwoman Kitty Valdetero
Members – Aldermen Jeff Doré, Laurita Pete, and Steven Premeaux

A motion was offered by Alderman Elliot Doré and seconded by Alderman Steven Premeaux to authorize the purchase of two police patrol vehicles and review the finances in February for the purchase an additional two vehicles for the Police Department. Motion carried.

RESOLUTIONS:

The following resolution was offered by Alderwoman Mary Melancon, duly seconded by Alderwoman Kitty Valdetero, and adopted.

A RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS AND AUTHORIZING THE ADVERTISEMENT FOR BIDS AND DESIGNATING THE TIME AND PLACE THAT THE BIDS WILL BE RECEIVED FOR THE “2013 MATERIALS CONTRACT” PROJECT.

BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Crowley that the Plans and Specifications for the “2013 MATERIALS CONTRACT” Project prepared by Mader Engineering are hereby approved and;

BE IT FURTHER RESOLVED that the Advertisement For Bids for said Project is hereby authorized, that bids will be received at 9:00 a.m. on February 1st, 2013 at Crowley City Hall, located at 425 N. Parkerson Avenue, Crowley, LA 70527, at which time the bids will be publicly opened and read aloud, and that said date, time, and location may be amended as long as changes are processed in accordance with the Public Bid Law.

ADOPTED: December 11, 2012

YEAS: Bryan Borill, Elliot Doré, Jeff Doré, Mary Melancon, and Kitty Valdetero

NAYS: None

ABSTAIN: None

ABSENT: Lyle Fogleman, Vernon Martin and Laurita Pete – due to illness

GREG A. JONES, Mayor

ATTEST:

JUDY L. ISTRE, City Clerk

ORDINANCES:

The following Ordinance no. 1451 has been previously introduced at a regular meeting convened on November 13th, 2012, published by title in the official journal of the City, and a public hearing held thereon on December 11th, 2012. It was offered for final adoption by Alderman Elliot Doré, seconded by Alderman Jeff Doré and duly adopted.

ORDINANCE NO. 1451

AN ORDINANCE AUTHORIZING THE ISSUANCE OF ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) OF TAXABLE SEWER REVENUE BONDS, SERIES 2013, OF THE CITY OF CROWLEY, STATE OF LOUISIANA, PRESCRIBING THE FORM, FIXING THE DETAILS AND PROVIDING FOR THE PAYMENT THEREOF, PROVIDING FOR THE SALE THEREOF AND ENTERING INTO CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE SECURITY AND PAYMENT OF SAID BONDS, AND PROVIDING FOR OTHER MATTERS PERTAINING TO THE ISSUANCE OF THE BONDS.

WHEREAS, the City of Crowley, State of Louisiana (the "Issuer"), now owns and operates a sewerage system as a revenue-producing public utility system (the "System"); and

WHEREAS, pursuant to Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:1011, *et seq.*), and other constitutional and statutory authority (the "Act"), it is the desire of this governing authority to provide for the issuance of Taxable Sewer Revenue Bonds of the Issuer, for the purpose of paying a portion of acquiring and constructing additions, extensions and improvements to System, and paying the costs of issuance thereof; and

WHEREAS, in accordance with the Act, this governing authority adopted a resolution on May 8, 2012, giving notice of intention to issue sewer revenue bonds in one or more series, in an amount not to exceed \$1,900,000, and after said notice of intention was published four times as required by the Act this governing authority held a public hearing on July 10, 2012, at which public hearing no objections or petitions were received objecting to the issuance of the aforesaid indebtedness; and

WHEREAS, the Issuer has no outstanding indebtedness payable from the income and revenues derived or to be derived from the operation of the System EXCEPT its Sewer Revenue Refunding Bonds, Series 2012, issued pursuant to Ordinance No. 1438 adopted by this governing authority on June 12, 2012, in the original principal amount of \$3,590,000, of which \$3,350,000 is currently outstanding, maturing September 1 of the years 2013 through 2028, inclusive (the "Outstanding Parity Bonds"); and

WHEREAS, the State of Louisiana, pursuant to Subtitle II, Chapter 14 of Title 30 of the Louisiana Revised Statutes of 1950, as amended, specifically La. R.S. 30:2301, *et seq.* (the "State Act"), has established a Clean Water State Revolving Fund (the "State Revolving Fund") in the custody of the Department of Environmental Quality (the "Department") to be used for the purpose of providing financial assistance for the improvement of wastewater treatment facilities in the State, as more fully described in Section 2302 of the State Act, and has authorized the Department to administer the State Revolving Fund in accordance with applicable federal and state law; and

WHEREAS, the Issuer has made application to the Department for a loan from the State Revolving Fund to finance a portion of the costs of improvements to the System, and the Department has approved the District's application for such loan; and

WHEREAS, the bonds authorized herein will be issued to represent the District's obligation to repay the loan from the State Revolving Fund; and

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the Bonds and to provide for the authorization, issuance and sale thereof, and to repeal certain previously adopted ordinances relating to the bonds authorized herein;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Aldermen of the City of Crowley, State of Louisiana, acting as the governing authority of the Issuer, that:

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

"*Act*" means Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:1011, *et seq.*), and other constitutional and statutory authority.

"*Administrative Fee*" means the annual fee equal to one-half of one percent (0.50%) per annum of the outstanding principal amount of the Bonds, or such lesser amount as the Department may approve from time to time, which shall be payable each year in two equal semi-annual installments on each Interest Payment Date.

"*Bond*" or "*Bonds*" means the Issuer's Taxable Sewer Revenue Bonds, Series 2013, authorized by this Ordinance to be issued, sold and delivered in the total aggregate principal amount of \$1,900,000.

"*Bond Register*" means the registration books of the Paying Agent (initially the Clerk of the Issuer), in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

"*Bond Year*" means the one year period ending on each September 1.

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

"*Department*" means the Louisiana Department of Environmental Quality, an executive department and agency of the State of Louisiana, and any successor to the duties and functions thereof.

"*Executive Officers*" means, collectively, the Mayor and the Clerk of the City of Crowley, State of Louisiana.

"*Fiscal Year*" means the one-year accounting period beginning on September 1 and ending on the following August 31 of each year, or such other fiscal year period as may be determined from time to time by the Governing Authority as the fiscal year of the City.

"*Governing Authority*" means the Mayor and Board of Aldermen of the City of Crowley, State of Louisiana, or any legal successor thereto.

"*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.

"*Interest Payment Date*" means March 1 and September 1 of each year, commencing March 1, 2013, until the Bonds are paid.

"*Issuer*" means the City of Crowley, State of Louisiana.

"*Loan Agreement*" means the Loan and Pledge Agreement to be entered into by and between the Department and the District prior to the delivery of the Bonds which will contain certain additional agreements relating to the Bonds and the project, as it may be supplemented or amended from time to time in accordance with the provisions thereof.

"*Net Revenues*" means for the period in question the net income of the System, determined in accordance with then generally accepted accounting principles, including all revenue derived from user fees or service fees and other income received from the operation of the System, after the payment of all reasonable and necessary expenses of operation and maintenance of the System as are not provided for from other lawfully available sources.

"*Ordinance*" means this ordinance authorizing the issuance of the Bonds, as it may hereafter be amended or supplemented.

"*Owner*" or "*Owners*" when used with respect to any Bond, means the person or entity in whose name such Bond is registered in the Ordinance.

"*Outstanding Parity Bonds*" means the Issuer's Sewer Revenue Refunding Bonds, Series 2012, issued in the original principal amount of \$3,590,000, of which \$3,350,000 is currently outstanding, maturing September 1 of the years 2013 through 2028, inclusive.

"*Parity Obligations*" means any *pari passu* additional obligations hereafter issued by the Issuer on a parity with Bonds and the Outstanding Parity Bonds with respect to the revenues of the System in accordance with the provisions of Section 0 of this Ordinance.

"*Paying Agent*" means the Clerk of the Issuer, as paying agent and registrar.

"*Record Date*" for the interest payable on any Interest Payment Date means the 15th calendar day of the month next preceding such Interest Payment Date.

"*Reserve Fund Requirement*" means as of any date of calculation, a sum equal to one-half of the maximum principal and interest requirements for any succeeding Bond Year on the Bonds.

"*System*" means the revenue-producing public utility system of the Issuer consisting of the Issuer's sanitary sewer and sewage disposal facilities as said system now exists and as it may be hereafter improved, extended or supplemented from any source whatsoever while the Bonds herein authorized remain outstanding, including specifically all properties of every nature owned, leased or operated by the Issuer and used or useful in the operation of the System, and including real estate, personal and intangible properties, contracts, franchises, leases and choses in action, whether lying within or without the boundaries of the Issuer.

SECTION 2. Authorization, Denominations, Dates, Maturities and Interest Rate. In compliance with and under the authority of the Act, there is hereby authorized the incurring of an indebtedness of One Million Nine Hundred Thousand Dollars (\$1,900,000) for, on behalf of and in the name of the Issuer, for the purpose of financing the acquisition, construction and installation of improvements and extensions to System, and for paying costs of issuance of the Bonds. To represent the said indebtedness, the Issuer does hereby authorize the issuance of not exceeding One Million Nine Hundred Thousand Dollars (\$1,900,000) of its Taxable Sewer Revenue Bonds, Series 2013. In the event that the delivery of the Bonds takes place after the end of calendar year 2013, the series designation of the Bonds may be changed to "Series 2014" or such other appropriate designation as may be determined by the Mayor.

The Bonds shall be initially issued in the form of a single fully registered Bond numbered R-1, shall be dated the date of delivery thereof and shall be in substantially the form attached hereto as Exhibit A.

The Bonds shall mature in twenty (20) installments of principal, payable annually on each September 1, and each annual installment shall be the applicable percentage shown in the

following table, rounded to the nearest One Thousand Dollars (\$1,000), of the outstanding principal amount of the Bonds on the day before the applicable Principal Payment Date:

<u>Date</u> <u>(Sept. 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(Sept. 1)</u>	<u>Percentage</u> <u>of Principal</u>
2014	4.564%	2024	9.580%
2015	4.827	2025	10.696
2016	5.120	2026	12.090
2017	5.448	2027	13.884
2018	5.817	2028	16.275
2019	6.235	2029	19.624
2020	6.712	2030	24.647
2021	7.264	2031	33.019
2022	7.907	2032	49.764
2023	8.667	2033	100.000

In the event that the Completion Date of the Project being financed with the Bonds is after September 1, 2014, the principal payment schedule set forth above may be adjusted so that each payment shall be due on the September 1 that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the delivery date of the Bonds.

The unpaid principal of 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, at the rate of forty-five hundredths percent (0.45%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date. Interest on the Bonds on any Interest Payment Date shall be payable only on the aggregate amount of the purchase price which shall have been paid theretofore to the Issuer and is outstanding and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

In addition to interest at the rate set forth above, at any time that the Department owns the Bonds the Issuer will pay the Administrative Fee to the Department on each Interest Payment Date. In the event (i) the Department owns any Bonds or the Department has pledged or assigned any Bonds in connection with its State Revolving Fund and (ii) the Administrative Fee payable by the Issuer to the Department under the terms of the Loan Agreement is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the Bonds shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability. The Administrative Fee shall be calculated in the same manner as interest on the Bonds.

SECTION 3. Manner of Payment. The principal and interest on the Bonds will be payable by check mailed to the Owner (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent for such purpose, provided that payment of the final installment of principal on the Bonds shall be made only upon presentation and surrender of the Bonds to the Paying Agent.

SECTION 4. 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 Ordinance shall constitute a contract between the Issuer and any Owner or Owners, 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.

SECTION 5. Recital of Regularity. This Governing Authority having investigated the regularity of the proceedings 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 this State."

SECTION 6. Sale and Delivery of Bonds. The Bonds are hereby awarded to and sold to the Department at a price of par plus accrued interest, if any, under the terms and conditions set forth in the Loan Agreement, and after their execution and authentication by the Paying Agent, the Bonds shall be delivered to the Department or its agents or assigns, upon receipt by the Issuer of the agreed first advance of the purchase price of the Bonds. Pursuant to R.S. 39:1426(B), the Issuer has determined to sell the Bonds at a private sale without necessity of publication of a notice of sale. It is understood that the purchase price of the Bonds will be paid by the Department to the Issuer in installments, in the manner and under the terms and conditions set forth in the Loan Agreement.

SECTION 7. Davis-Bacon Wage Rate Requirements. The Issuer agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the project that is funded in whole or in part with the Bonds purchased by the Department shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Issuer as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Issuer will ensure that all construction contracts relating to the portion of the Project that is funded in whole or in part with Bonds purchased by the Department will require that the contractor comply with the aforesaid wage and reporting requirements. This section shall not apply to situations where the Issuer may perform construction work using its own employees rather than any contractor or subcontractor.

SECTION 8. Prepayment. The principal installments of the Bonds are subject to prepayment at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date and in such case the remaining principal of the Bonds shall continue to mature in installments calculated using the percentages shown in Section 0 above. Official notice of such call for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the Owner of each Bond to be prepaid at his address as shown on the registration records of the Paying Agent. In the event a portion of the Bonds is to be prepaid, such Bonds shall be surrendered to the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the Bonds.

SECTION 9. Registration and Transfer. The Issuer shall cause a Bond Register to be kept by the Paying Agent. The Bonds may be transferred, registered and assigned only on the Bond Register of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bond after receipt of the Bond to be transferred in proper form. Such new Bond shall be in an authorized denomination. Neither the Issuer nor the Paying Agent shall 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 Interest Payment Date or (ii) with respect to Bonds to be redeemed, at the opening of business ten (10) days before the date of the mailing of a notice of redemption of such Bonds and ending on the date of such redemption.

SECTION 10. Execution of Bonds. The Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signatures of the Executive Officers, and the corporate seal of the City (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced on the Bonds. If facsimile signatures are used, then such signatures shall have been registered with the Louisiana Secretary of State in the manner required by La. R.S. 39:244.

SECTION 11. Security. Subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System, the Bonds, equally and on a *pari passu* basis with the Outstanding Parity Bonds, shall be secured and payable in principal and interest exclusively by a pledge of the income and revenues derived or to be derived from the operation of the System. The said income and revenues are hereby irrevocably and irrevocably pledged in an amount sufficient for the payment of the Bonds and the Outstanding Parity Bonds in principal and interest as they fall due, and the income and revenues thus pledged shall remain so pledged for the security of the Bonds and the Outstanding Parity Bonds in principal and interest until they shall have been fully paid and discharged.

SECTION 12. Application of Bond Proceeds. All of the proceeds derived from the sale of the Bonds shall be deposited by the District in a fund or account to be established at the time of the delivery of the Bonds (the "Construction Fund"). Proceeds of the Bonds in the Construction Fund (including investment earnings thereon) shall be used solely for the purposes for which the Bonds are issued, and shall not be commingled with any other moneys of the Issuer or proceeds of any other debt obligation of the Issuer. Moneys in the Construction Fund may be temporarily invested in the manner provided by Louisiana law. Said moneys shall be sacred funds and the Owners shall have a lien thereon until said funds are paid out for the purposes for which the applicable Bonds are issued. Any investment earnings on moneys in the Construction Fund shall be retained in the Construction Fund and applied for the purposes for which the Bonds are issued. All moneys in the Construction Fund shall at all times be secured to the full extent thereof by the banks or trust companies holding such funds by direct obligations of the United States of America or the State of Louisiana having a market value not less than the amount of moneys then on deposit in said funds.

SECTION 13. Funds and Accounts. The Issuer covenants and agrees that all of the income and revenues derived or to be derived by the Issuer from the operation of the System shall be deposited as the same may be collected in a separate and special bank account heretofore established and maintained with the regularly designated fiscal agent bank of the Issuer, and designated as the "Sewer Revenue Fund" (the "Revenue Fund"), said Revenue Fund to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the System.
- (b) The maintenance of the "Sewer Revenue Bond and Interest Sinking Fund" (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, the Outstanding Parity Bonds and any Parity Obligations issued hereafter in the manner provided by this Ordinance, by transferring from the Revenue Fund to the fiscal agent of the Issuer monthly in advance on or before the 20th day of each month of each year, a sum equal to the principal and interest accruing on said debt obligations for such calendar month together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. If Parity Obligations are hereafter issued by the Issuer in the manner provided in this Ordinance, moneys in the Sinking Fund shall be equally available to pay principal and interest on such Parity Obligations. Said fiscal agent bank shall transfer from the Sinking Fund to any paying agent or pay directly to the registered owner, for all bonds payable from the said Sinking Fund, at least three (3) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and/or interest so falling due on such date.
- (c) The establishment of the "Taxable Sewer Revenue Bond, Series 2013 Debt Service Reserve Fund" (the "Reserve Fund") with the regularly designated fiscal agent of the Issuer, the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and interest on Bonds, but not the Outstanding Parity Bonds nor any Parity Obligations, as to which there would otherwise be default, by transferring from the Revenue Fund (after making all required

payments from said fund as hereinabove described) to the Reserve Fund monthly, on or before the 20th day of each month of each year, a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for each month with respect to the Bonds. Payments into the Reserve Fund shall continue until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement. Money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the Bonds, but not the Outstanding Parity Bonds nor any Parity Obligations, as to which there would otherwise be default. Moneys in the Reserve Fund shall not be used with respect to the Outstanding Parity Bonds no any Parity Obligations for which separate debt service reserve funds shall be established as provided in Section 0 below.

- (d) The establishment and maintenance of the "Depreciation and Contingency Fund" (the "Contingencies Fund"), to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from funds in the Revenue Fund after making the payments required by (a), (b) and (c) above to the Contingencies Fund monthly on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b) and (c) above. Such payments into the Contingencies Fund shall commence on the date set forth in the applicable Supplemental Ordinance and shall continue until such time as there has been accumulated in the Contingencies Fund the sum of Two Hundred Fifty Thousand Dollars (\$250,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of Two Hundred Fifty Thousand Dollars (\$250,000), in which event such payments shall be resumed and continue until said maximum amount is again accumulated. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingencies Fund may also be used to pay the principal of and the interest on the Bonds for the payment of which there is not sufficient money in the Sinking Fund and Reserve Fund described in paragraphs (b) and (c) above, but the money in said Contingencies Fund shall never be used for the making of improvements and extensions to the System or for payment of principal or interest on Bonds if the use of said money will leave in said Contingencies Fund for the making of emergency repairs or replacements less than the sum of Twenty-Five Thousand Dollars (\$25,000).
- (e) Any money remaining in the Revenue Fund after making the above-required payments may be used by the Issuer for the purpose of calling and/or purchasing and paying any bonds payable from the Net Revenues, or for such other lawful corporate purposes as the Governing Authority may determine.

If at any time it shall be necessary to use the moneys in the Reserve Fund for the purpose of paying principal of or interest on the Bonds which become outstanding and payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from Net Revenues first thereafter received, not required to be used for payments required to be made by paragraph (a) and (b) above; it being the intention hereof that there shall be as nearly as possible at all times in the Reserve Fund an amount of money equal to the Reserve Fund Requirement.

All or any part of the moneys in the foregoing funds and accounts shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, except that moneys in the Reserve Fund must be invested in Government Securities maturing in five (5) years or less from the date of investment. All income derived from such investments shall be added to the money in said respective funds or to the Revenue Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are herein created.

SECTION 14. Notification of Deficiencies. As required by La. R.S. 39:1410.62 the Issuer will notify the State Bond Commission, in writing, whenever (i) transfers to any fund required to be established by this Ordinance or any ordinance or resolution authorizing the issuance of other indebtedness of the Issuer have not been made timely or (ii) principal, interest, premiums, or other payments due on the Bonds or any other outstanding indebtedness of the Issuer have not been made timely.

SECTION 15. Deposit of Funds and Security Therefor. All of the income and revenues to be earned from the operation of the System shall be deposited promptly as provided in Section 0 hereof in the Revenue Fund, which Revenue Fund shall be maintained separate and apart from all other funds of the Issuer. The Sinking Fund shall be held by the depository banks as special trust funds for the purposes provided in this Ordinance, and all other funds shall be held by the designated banks as special deposits for the purposes set forth in this Ordinance, and subject to such reasonable instructions as this Governing Authority may give in writing to the banks holding such funds. The Owners are hereby granted a lien on all funds established and/or maintained pursuant to the requirements of this Ordinance until applied in the manner herein provided. The moneys on deposit in the funds herein required shall at all times be secured to the full extent thereof as required by the laws of the State of Louisiana.

SECTION 16. Rates and Charges. Except as provided herein, nothing in this Ordinance or in the Bonds shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary any resolution or ordinance setting up and establishing a schedule or schedules of rates and charges for the services and facilities to be rendered by the System, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the income and revenues of the System, not alone for the payment of the principal of and interest on the Bonds, but to give assurance and insure that the income and revenues of the System, together with such other lawfully available funds as are used by the Issuer for such purposes, shall be sufficient at all times to meet and fulfill the other provisions stated and specified in Section 0 of this Ordinance. It is understood and agreed, however, that the Issuer shall fix and maintain and collect rates and charges for the services and facilities to be rendered by the System, irrespective of the user thereof, that no free service shall be furnished to any person or entity, or even to the Issuer itself and that no discrimination shall be made as to rates and charges for the services and facilities of the System as between users of the same type or class.

The Issuer agrees that failure of any individual, partnership or corporation to pay said charges within thirty (30) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within fifteen (15) days from the date on which it became delinquent, the Issuer will shut off sewer service to the affected premises, and that the Issuer and this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for such services shall on the date of delinquency have added thereto a penalty of ten percent (10%) of the amount of the charge, and the amount so due, including any penalty charge, may, in the discretion of this Governing Authority, after ten (10) days from the date of delinquency, bear interest at a reasonable rate to be established by the Governing Authority, which rate shall not be less than six per centum (6%) per annum. If services shall be discontinued as above provided, the customer shall, in addition to paying the delinquent charges, penalties and interest, if any, pay as a condition precedent to the resumption of service, a reasonable reconnection charge.

It is further understood and agreed that the schedule of rates, fees, rents and other charges being charged as of the date of the adoption of this Ordinance for services and facilities rendered by the System 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 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 and specified in Section 0 of this Ordinance.

SECTION 17. Rate Covenant; Funds and Accounts. The Issuer, through its Governing Authority, covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in such year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest falling due on the Bonds and the Outstanding Parity Bonds in each year, all reserves and sinking funds or other payments required for such year by this Ordinance, and all other obligations or indebtedness payable out of the revenues of the System for such year, and which will provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System in such year, at least equal to 110% of the largest amount of principal and interest maturing in any future Fiscal Year on the Bonds and the Outstanding Parity Bonds, which rates, however, may be adjusted to the extent that revenues derived by the Issuer from other sources are available and appropriated for the purpose of paying the costs of operating and maintaining the System, provided such available and appropriated revenues together with the revenues derived or to be derived from the operation of the System for such year provide net revenues in such year at least equal to 110% of the largest amount of principal and interest falling due on the Bonds and the Outstanding Parity Bonds in any future year.

As long as the Department owns any of the Bonds, the aforesaid rates shall also be set so as to satisfy the requirements of Louisiana Administrative Code 33:IX.2111(L), or any successor provision, that the rates and charges shall generate sufficient revenues to cover the costs of operation, maintenance and replacement of the System.

SECTION 18. Right to Pledge Revenues; Rank of Lien. In providing for the issuance of the Bonds, the Issuer does hereby covenant and warrant that it is lawfully seized and possessed of the System, that it has a legal right to pledge the revenues of the System as herein provided, that the Bonds will have a lien and privilege on said revenues subject only to the prior payment from such revenues or from other lawfully available sources of all reasonable and necessary expenses of administration, operation and maintenance of the System and that the Issuer will at all times maintain the System in first class repair and working order and condition.

SECTION 19. Records and Accounts; Audit Reports. As long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books and accounts of the System separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the System. Not later than six (6) months after the close of each Fiscal Year, the Issuer shall cause such an audit to be made in accordance with Louisiana law, by a recognized independent firm of certified public accountants, which audit shall reflect all receipts and disbursements of the Issuer, including those made for the account of the System. Such audit shall be available for inspection by the Owners and a copy of such audit shall be furnished to the Department upon request.

All expenses incurred in the making of the audits required by this section shall be regarded and paid as a maintenance and operating expense. The Issuer further agrees that the Paying Agent and any Owner shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as they may reasonably require. The Issuer further agrees that the Paying Agent and any Owners shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating thereto.

SECTION 20. Rights of Owners; Appointment of Receiver in Event of Default. The Owners 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 Owner or any trustee acting for such Owners in the manner hereinafter provided, 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 Ordinance, and may enforce and compel the performance of all duties required by this 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 of rentals, fees or other charges for the use of the

System, and in general to take any action necessary to most effectively protect the rights of the Owners.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds as the same shall become due, or in the making of the payments into any Sinking Fund or Reserve Fund or any other payments required to be made by this Ordinance, or in the event that the Issuer or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Ordinance or shall default in any covenant made herein, and in the further event that any such default shall continue for a period of thirty (30) days after written notice, any Owner of such Bonds or any trustee appointed to represent the Owners as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction.

The receiver so appointed shall forthwith directly or by his agents and attorneys, enter into and upon and take possession of the System, and each and every part thereof, and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the Issuer shall exercise all the rights and powers of the Issuer with respect to the System as the Issuer itself might do. Such receiver shall collect and receive all rates, fees, rentals and other revenues, maintain and operate the System in the manner provided in this Ordinance, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this Ordinance.

Whenever all that is due upon the Bonds and interest thereon, and under any covenants of this Ordinance for sinking and other funds, and upon any other obligations and interest thereon, having a charge, lien or encumbrance upon the fees, rentals or other revenues of the System, shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner or any trustee appointed for Owners as hereinafter provided, shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver shall in the performance of the powers hereinabove conferred upon him be 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.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Owners. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any property of any kind or character belonging or pertaining to the System but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and the Owners and the curing and making good of any default under the provisions of this Ordinance, and the title to and the ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any property of the System except with the consent of the Issuer and in such manner as the court shall direct.

The Owner or Owners in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then outstanding may by a duly executed certificate appoint a trustee for the Owners with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners. Such certificate shall be executed by such Owners, or by their duly authorized attorneys or representatives, and shall be filed in the office of the Secretary of the Issuer.

Until an event of default shall have occurred, the Issuer shall retain full possession and control of the System 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, subject to the provisions of this Ordinance, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the System.

SECTION 21. Maintenance of System, Limitations on Sale, Lease or Other Disposition of Property. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall be bound and obligated at all times to (i) maintain the System in good repair and working order and condition and (ii) not sell, lease, encumber or in any manner dispose of the System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the Issuer of property which in its sole judgment has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System.

SECTION 22. Competitive Franchises. So long as any of the Bonds are outstanding and unpaid in principal and interest, the Issuer obligates itself not to grant a franchise to any utility for operation within the boundaries of the Issuer which would render services or facilities similar to those of the System and also obligates itself to oppose the granting of any such franchise by any other public board having jurisdiction over such matters. Further, the Issuer shall maintain its corporate identity and existence as long as any of the Bonds remain outstanding.

SECTION 23. Prohibition Against Encumbrances. Except as hereinafter provided in Section 0 hereof, the Issuer will maintain title to or the possession of the System and equipment acquired and properties improved by the System, including any necessary servitudes and rights-of-way acquired in connection with the System. Title to any immovable equipment and any real property purchased by the Issuer in connection with the System will remain free and clear of all liens and encumbrances. Furthermore, all movable property necessary for the operation of the System will remain free of all liens except liens necessary to secure the purchase of said movable equipment.

SECTION 24. Issuance of Parity Obligations; Parity Requirements. The Bonds, equally with the Outstanding Parity Bonds, shall enjoy complete parity of lien on the net revenues of the System despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer hereby covenants that it shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over or parity with the Bonds, except that Parity Obligations may be issued hereafter if the following conditions are met:

1. The Bonds or any part thereof 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 as may have been enjoyed by the Bonds refunded, provided, however, that if the refunding bonds require total principal and interest payments during any year in excess of the principal and interest which would have been required in such year to pay the Bonds refunded thereby, then such Bonds may not be refunded without either (i) satisfying the conditions of Paragraph (2) of this section, or (ii) obtaining the consent of 100% of the Owners of the unrefunded portion of the Bonds issued hereunder, if any, and any Outstanding Parity Bonds; or

2. Parity Obligations may also be issued on a parity with the Bonds if all of the following conditions are met:

- (A) Historical Test. The Clerk of the Issuer certifies that, for any 12-month period during the 18-month period immediately preceding the date of issuance of such Parity Obligations, the Net Revenues of and other funds available to the System were sufficient to pay an amount representing not less than 120% of the Debt Service (*i.e.* the scheduled principal and interest) due on the Bonds and the proposed Parity Obligations in any Fiscal Year following the Fiscal Year in which the proposed Parity Obligations are to be issued; provided, however, that if a rate increase has been effected prior to the issuance of the proposed Parity Obligations, then the coverage calculations required hereunder may be made as if such rate increase had been in effect during such period, and further provided that in the event one or more systems have been acquired or additions to the System

have been made by the Issuer prior to the delivery of the Parity Obligations and are included in the System, then the coverage calculations required hereunder may be made as if such acquired systems or additions had been a part of the System during such period; or

- (B) Future Test. A consulting engineer retained for such purposes by the Issuer certifies that, based upon the average annual Net Revenues projected by such the consulting engineer for a period of five (5) Fiscal Years immediately following the date on which the Project financed with the proceeds of the proposed Parity Obligations becomes operational by the Issuer, such projected average Net Revenues of and other funds available to the System in each such Fiscal Year will be sufficient to pay an amount representing not less than 130% of the Debt Service (*i.e.* the scheduled principal and interest) due on the Bonds and the proposed Parity Obligations in any fiscal year following the fiscal year in which the proposed Parity Obligations are to be issued;
- (C) The Clerk of the Issuer or an independent firm of certified public accountants employed for such purpose certifies that the payments required to be made into the various funds provided in Section 0 of this Ordinance are current and that there are no other events of default existing under this Ordinance at such time; and
- (D) The proposed Parity Obligations shall be payable as to principal on September 1 of each year in which principal falls due, and shall be payable as to interest on each March 1 and September 1.

SECTION 25. Fidelity Bonds. So long as any of the Bonds are outstanding and unpaid, the Issuer, in operating the System, shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the operation of the System, to obtain or 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.

SECTION 26. Retention and Duties of Consulting Engineer in Event of Failure to Make Required Payments. The Issuer covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System or from other sources to make the required monthly payments into the funds established by Section 0 hereof, it will retain a Consulting Engineer (the "Engineer") on a continuous basis until all defaults are cured, for the purpose of providing for the Issuer continuous engineering counsel in the operation of its System. Such Engineer shall be retained under contract at such reasonable compensation as may be fixed by this Governing Authority, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Engineer appointed under the provisions of this section may be replaced at any time by another Engineer appointed or retained by the Issuer, with the consent and approval of the Department.

The Engineer shall prepare within ninety (90) days after the close of each Fiscal Year a comprehensive operating report, which report shall contain therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year prepared by the Issuer's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System, the proper and adequate keeping of books of record and account, the adherence to budget and budgetary control provisions, the adherence to the provisions of this Ordinance and all other things having a bearing upon the efficient and profitable operation of the System, and shall include whatever criticism of any phase of the operation of the System the Engineer may deem proper, and such recommendations as to changes in operations and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Engineer may deem proper. Copies of such report shall be placed on file with the Clerk of the Governing Authority and sent to the Department, and shall be open to inspection by any Owners. It shall be the duty of the Engineer to pass on the economic soundness or feasibility of any extensions, betterments,

improvements, expenditures or purchases of equipment and materials or supplies, which will involve the expenditure of more than Five Thousand Dollars (\$5,000.00), whether in one or more than one order, and whether authorized by a budget or not, from funds on deposit, and the Engineer shall devise and prescribe a form or forms wherein shall be set forth his or its approval in certificate form, copies of which shall be filed with the Clerk of the Issuer.

Sixty (60) days before the close of each Fiscal Year, the Engineer shall submit to this Governing Authority a suggested budget for the ensuing year's operation of the System and shall submit recommendations as to the schedule of rates and charges for services supplied by the System, taking into account any other lawfully available funds of the Issuer that may be available for such purposes. A copy of said suggested budget and recommendations shall also be furnished by said Engineer directly to the Department. Such recommendations as to rates and charges, consistent with the requirements relating thereto contained herein, shall be followed by this Governing Authority insofar as practicable and all other recommendations shall be given careful consideration by this Governing Authority and shall be substantially followed, except for good and reasonable cause. No expenditures for the operation, maintenance and repair of the System in excess of the amounts stated in said budget shall be made in any year, except upon the certificate of the Engineer that such expenditures are necessary and essential to the continued operation of the System.

It shall be the duty of the Engineer to prescribe a system of budgetary control along with forms for exercising of such control which shall be utilized by the manager or superintendent of the System and his staff, and the manager or superintendent shall cause to be prepared monthly reports not later than the twentieth day of each month, for the preceding month's business and operation of the System, which reports shall be submitted to the Engineer, who shall prepare an analysis of each such report, which analysis shall be filed monthly as expeditiously as possible with the chief financial officer of the Issuer and with the Department.

In the event this Governing Authority shall fail to select and retain a Engineer in accordance with the first paragraph hereof within thirty (30) days after the occurrence of the conditions prescribed thereby, then upon the petition of the Owners of twenty-five percent (25%) of the aggregate principal amount of the Bonds then outstanding, this Governing Authority shall select and retain such Engineer as is named in the petition of said Owners.

The provisions of this section shall apply only during any period when the Issuer may be in default in making required payments into the funds required by Section 0 of this Ordinance.

SECTION 27. Insurance. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall carry full coverage of insurance on the System at all times against those risks and in those amounts normally carried by privately owned public utility companies engaged in the operation of such utilities. Said policies of insurance shall be issued by a responsible insurance company or companies duly licensed to do business under the laws of the State of Louisiana. In case of loss, any insurance money received by the Issuer shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed.

SECTION 28. Amendment of Ordinance. No material modification or amendment of this Ordinance, or of any resolution 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 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 obligation 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 System, or change the requirements specified herein for the issuance of Additional Parity Bonds under the provisions of this Ordinance, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Ordinance, without the consent of such Owner or Owners.

SECTION 29. Issuance of Bonds; Application of Proceeds; Prepayment. 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.

SECTION 30. Effect of Registration. The Issuer, the Paying Agent, and any agent of either of them 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, neither the Issuer, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 31. Notices to Owners. Wherever this Ordinance provides for notice to Owners 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, at the address of such Owner as it appears in the Bond Register. In any case where notice to Owners is given by mail, neither the failure to mail such notice to any particular Owner, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this 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. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 32. Cancellation of Bonds; Lost, Stolen or Improperly Cancelled Bonds. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent and, if not already canceled, shall be promptly canceled 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 canceled by the Paying Agent. All canceled Bonds held by the Paying Agent shall be disposed of as directed in writing by the Issuer.

In case any of the Bonds shall become lost, destroyed or improperly cancelled, such Bonds may be replaced in the manner set forth in R.S. 39:971, *et seq.*, or other applicable laws.

SECTION 33. Mutilated, Destroyed, Lost or Stolen Bonds. Lost, destroyed or improperly cancelled Bonds may be replaced in the manner set forth in Part XI, Chapter 4, Subtitle II, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:971 *et seq.*). In case any such lost, destroyed or improperly cancelled 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.

SECTION 34. Severability; Application of Subsequently Enacted Laws. In the event any one or more of the provisions of this Ordinance or of the Bonds shall be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance or of the Bonds, but this 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 Ordinance which validate or make legal any provision of this Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Ordinance and to the Bonds.

SECTION 35. Discharge of Ordinance; Defeasance. . If the Issuer shall pay or cause to be paid, or there shall be paid to the Owners, the principal (and redemption price) of and interest on the Bonds, at the times and in the manner stipulated in this Ordinance for all amounts due and owing, then the pledge of the Net Revenues or any other money, securities, and funds pledged under this Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners shall thereupon cease, terminate, and become void and be discharged and satisfied, and

the Paying Agent shall pay over or deliver all money held by it under this Ordinance to the Issuer.

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, if they have been defeased pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto

SECTION 36. Successor; Paying Agent; Paying Agent Agreement. The Issuer will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Ordinance is hereby confirmed and approved. The Issuer reserves the right to appoint a successor Paying Agent by (a) filing with the person then performing such function a certified copy of a resolution or resolutions giving notice of the termination of the Agreement and appointing a successor and (b) causing notice to be given to each Owner. Every successor Paying Agent appointed hereunder shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or state authority.

SECTION 37. Repeal of Prior Bond Ordinances. General Bond Ordinance No. 1442 adopted by this Governing Authority on July 10, 2012, and First Supplemental Bond Ordinance No. 1446 adopted by this Governing Authority on September 11, 2012, are both hereby repealed and rescinded in their entirety, it being the intention of this Governing Authority that the Bonds shall be authorized solely by this Ordinance.

SECTION 38. Publication of Bond Ordinance. This Ordinance shall be published one time in the official journal of the Issuer, or if there is none, in a newspaper having general circulation in the Issuer. It shall not be necessary to publish the exhibits to this Ordinance but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty days after the date of such publication any persons in interest may contest the legality of this Ordinance and any provisions herein made for the security and payment of the Bonds. After such thirty-day period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Ordinance and the provisions hereof or of the Bonds authorized hereby for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Bonds authorized pursuant to this Ordinance within the thirty days herein prescribed, the authority to issue the Bonds or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Ordinance and such Bonds shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 39. 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.

SECTION 40. Effective Date. This Ordinance shall become effective upon signature of the Mayor, or, in the event of Mayoral veto, upon re-adoption by the Governing Authority. A certified copy of this Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of Acadia, State of Louisiana.

The final adoption of the foregoing Ordinance having been duly moved and seconded, the roll was called and the following vote was taken and recorded:

YEAS: Bryan Borill, Elliot Doré, Jeff Doré, Mary Melancon, and Kitty Valdetero

NAYS: None

ABSTAIN: None

ABSENT: Lyle Fogleman, Vernon Martin and Laurita Pete – due to illness

There being a favorable vote on the ordinance of at least a majority of the authorized members of the Governing Authority, the ordinance was declared adopted on this the 11th day of December, 2012.

GREG A. JONES, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

OTHER BUSINESS:

There being no further business to come before the Council upon motion duly made by Alderman Elliot Doré and seconded by Alderwoman Mary Melancon the meeting was adjourned at 6:45 p.m.

GREG A. JONES, Mayor

ATTEST:

JUDY L. ISTRE, City Clerk

Presented rough draft to Mayor on December 12, 2012 at 2:00 p.m.

Presented for Mayor's signature on December 12, 2012 at 2:00 p.m.

Mayor signed & returned to City Clerk on December 12, 2012 at 2:30 p.m.

Published in newspaper on December 20, 2012