

CITY OF CROWLEY
REGULAR COUNCIL MEETING
FEBRUARY 10, 2004

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 10th day of February, 2004, at the regular meeting place of said Mayor and Board of Aldermen, the City Hall, 426 North Avenue F, Crowley, Louisiana.

Mayor de la Houssaye presided with the following Aldermen present: James M. Buatt, Tiger Istre, Woody Marceaux, Vernon Martin, Mary T. Melancon, Laurita D. Pete, Steven C. Premeaux, and Kitty Valdetero. Alderman Ira Thomas was absent.

Alderwoman Valdetero led the Pledge of Allegiance to the flag and gave the invocation.

PUBLIC HEARINGS:

Mayor de la Houssaye opened the public hearing on proposed Ordinance No. 1280. The Ordinance on amending Ordinance No. 1277 for La Pac's lease was read by title.

Mr. Regan asked for proponents of the proposed Ordinance No. 1280. There were no comments after the third and final call.

Mr. Regan asked for opponents to the proposed Ordinance No. 1280. A third and final call was made with no one coming forward to speak.

Mayor de la Houssaye called the public hearing on Ordinance No. 1280 to a close.

Mayor de la Houssaye opened the public hearing on proposed Ordinance No. 1281. The Ordinance on accepting Terms of and Authorizing the Execution of a Commitment Agreement and a Loan & Pledge Agreement with the La Department of Environmental Quality for Sewer Revenue Notes was read by title.

Mr. Regan asked for proponents of the proposed Ordinance No. 1281. There were no comments after the third and final call.

Mr. Regan asked for opponents to the proposed Ordinance No. 1281. A third and final call was made with no one coming forward to speak.

Mayor de la Houssaye called the public hearing on Ordinance No. 1281 to a close.

Mayor de la Houssaye opened the public hearing on proposed Ordinance No. 1282. The Ordinance on amending Ordinance No. 1270 to increase the salary of the City Prosecutor was read by title.

Mr. Regan asked for proponents of the proposed Ordinance No. 1282. There were no comments after the third and final call.

Mr. Regan asked for opponents to the proposed Ordinance No. 1282. A third and final call was made with no one coming forward to speak.

Mayor de la Houssaye called the public hearing on Ordinance No. 1282 to a close.

APPEARANCES:

Mrs. Ezora Proctor came before the assembly for a slide presentation on the success of the Career Connection Expo 2004.

READING & APPROVAL OF MINUTES / BILLS:

Alderman Istre moved to dispense with the reading of the minutes of the January 13, 2004 regular council meeting; and approve them as written and distributed. Seconded by Alderwoman Valdetero and duly adopted.

Alderman Istre moved to dispense with the reading of the minutes of the January 20, 2004 special council meeting; and approve them as written and distributed. Seconded by Alderman Martin and duly adopted.

Alderman Martin moved to approve all bills presented for payment. Seconded by Alderwoman Melancon and duly adopted.

MAYOR'S REPORT:

Mayor de la Houssaye presented the Sales Tax Report and User Fee Report that compare current collections to collections from previous years. The Recap of all Funds Report compares actual revenues and expenditures for the five months of the fiscal year to the budgeted revenues and expenditures of the same period.

STANDING COMMITTEE REPORTS:

PUBLIC WORKS:

Alderwoman Melancon offered a motion to authorize Wasterwater Services Inc. to proceed with additional cleaning and televising of the subsurface system on First Street between Avenue G and Avenue F (where significant obstructions were previously encountered due to unusual amounts of debris); and cleaning and televising of the subsurface drainage system on Avenue F from Third Street to the Center Ditch (between 7th and 8th Street) in the estimated amount of \$25,000 - \$30,000. Seconded by Alderman Martin and duly adopted.

Alderwoman Melancon offered a motion to authorize Mader Engineering to prepare a scope and cost estimate to remove and replace approximately 150' of curb and gutter on Third Street between Parkerson and Avenue G (US Post Office) and to construct conflict boxes at the sewer service crossings in its outfall subsurface system on Avenue G. Seconded by Alderman Martin and duly adopted.

UTILITY:

The following resolution was offered by Alderman Martin, duly seconded by Alderwoman Pete, and duly resolved and adopted.

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF CROWLEY, ACADIA PARISH, LOUISIANA AUTHORIZING A CONTRACT AMENDMENT TO THE AUTOMATION SOLUTIONS, INC. CONTRACT TO AUTHORIZE PAYMENTS FOR THE ANNUAL MAINTENANCE AND INSPECTION OF THE SCADA SYSTEM IN ADVANCE AND TO ADD ADDITIONAL FOUR (4) SITES.

WHEREAS, the City of Crowley previously accepted a contract with Automated Solutions, Inc. for refurbishment of the existing SCADA System, which included an annual inspection and preventative maintenance of the SCADA System for a price of seven thousand six hundred &no/100 (7,600.00) dollars per year plus associated travel costs; and

WHEREAS, the Automated Solutions, Inc. has requested a contract amendment to provide for full payment of the annual maintenance in advance of the performance of the services in accordance with standard and customary practices within the industry: and

WHEREAS, Automated Solutions, Inc. requires annual payment in advance for inspection and maintenance in order to provide favorable pricing and scheduling terms; and

WHEREAS, the existing contract included a provision for invoicing the City for work after it has been performed; and

WHEREAS, the contract language has been amended to describe in detail the annual inspection and maintenance work to be performed on a quarterly basis; and

WHEREAS, four (4) additional sites have been equipped with the SCADA System and the City desires to add four (4) additional RTUs to be included in the annual inspection and maintenance contract;

NOW THEREFORE BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Crowley in regular session duly convened that they hereby authorize, empower and direct the Honorable Isabella L. de la Houssaye, Mayor of the City of Crowley, to execute an amendment of the Automated Solutions, Inc. annual maintenance contract to provide inspection and preventative maintenance of the SCADA System quarterly for the sum of nine thousand four hundred & no/100 (\$9,400.00) dollars plus travel costs for twenty-one SCADA RTU sites which amount shall be payable annually in advance, to include the specific requirements of the inspection and maintenance to be performed for said amount and to amend the number of sites by including four (4) additional sites for a total of twenty-one (21) sites to be annually inspected and maintained: and

BE IT FURTHER RESOLVED THAT Honorable Isabella L. de la Houssaye, Mayor of the City of Crowley, be and she is hereby further authorized, empowered and directed to execute any and all necessary documents and to provide all information as may be necessary to conclude said transaction; and

BE IT FURTHER RESOLVED that the original Automated Solutions, Inc. contract be and the same is hereby ratified as amended herein.

THUS DONE AND ADOPTED in regular session on this the 10th day of February, 2004 at Crowley, Acadia Parish, Louisiana.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

Alderman Martin moved to approve Partial Payment Estimate No. 11 to Stelly Construction for the West Crowley Sewerage Improvements (LCDBG FY 2001) Program in the estimated amount of \$184,878.36. Seconded by Alderman Istre and duly adopted.

Alderman Martin moved to authorize the Mayor to execute Engineering Contract Amendment #1 for the West Crowley Sewerage Improvements (LCDBG FY 2001 Program) to increase the estimated cost for inspection by \$40,000 and to include changes in the terms of the contract required in the LCDBG Grant Agreement. Seconded by Alderwoman Melancon and duly adopted.

Alderman Martin moved to authorize the Mayor to engage the services of Poche' Prouett Associates to provide electrical engineering services for the Upgrading of Control Systems for Pump Stations City-Wide and to amend the Utility Capital Outlay budget for the approximate cost of \$150,000. Seconded by Alderwoman Pete and duly adopted.

Alderman Martin moved to amend the Utility Fund's Fiscal 2004 Budget to include \$100,000 in the Sewer Department's Capital Outlay - City Wide Pump Station Account (750-56-706). Seconded by Alderwoman Valdetero and duly adopted.

The following resolution was offered by Alderman Martin, duly seconded by Alderwoman Melancon, and duly resolved and adopted.

RESOLUTION OF THE MAYOR AND BOARD OF
ALDERMEN OF THE CITY OF CROWLEY,
ACADIA PARISH, LOUISIANA, AUTHORIZING
AND APPROVING THE EXECUTION OF A
WETLANDS MITIGATION PERMIT FROM THE
UNITED STATES ARMY CORP OF
ENGINEERS/UNITED STATES DEPARTMENT
FISH AND WILDLIFE SERVICE A CONTRACT
FOR WETLANDS RESTORATION SERVICES

WHEREAS, the City of Crowley has identified a portion of the right of way for a wastewater collection line recently acquired from Bartland, Inc. to service the area north of I-10 includes wetland areas subject to the jurisdiction of the United States Army Corp of Engineers; and

WHEREAS, the City of Crowley has applied for a wetlands permit from the United States Army Corp of Engineers in order to construct a wastewater collection line over and across right of way acquired from Bartland, Inc.; and

WHEREAS, the United States Army Corp of Engineers has designated the permit application number WW-20-040-0602 City of Crowley Restoration Plan; and

WHEREAS, that restoration plan includes the mitigation of the damage by restoring an equal amount of bottom land hardwood; and

WHEREAS, the United States Army Corp of Engineers has issued a draft permit requiring a restoration plan and, in order to satisfy the obligations of restoration as required in the draft permit, the City of Crowley must obtain mitigation services for the site for wetland damages which are occurring; and

WHEREAS, the draft wetlands permit will become the final permit and it is necessary that the City of Crowley authorize the acceptance and execution of the permit; and

WHEREAS, in order to comply with the terms and conditions of the draft permit, it is necessary the City employ or obtain mitigation services; and

WHEREAS, wetlands mitigation services are available from the Lonesome Dove Mitigation area which qualifies for the type of mitigation required in the draft permit; and

WHEREAS, the work proposed by the Lonesome Dove Mitigation Area will satisfy the conditions of the permit and allow the City to obtain a final permit for construction.

NOW THEREFORE BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Crowley in regular session duly convened that they do hereby authorize, empower and direct the Honorable Isabella L. de la Houssaye, Mayor of the City of Crowley, to execute the United States Army Corp of Engineers' draft permit number WW-20-040-0602 City of Crowley Restoration Plan together with accompanying exhibits thereto; said permit to become the final permit upon approval and acceptance by the United States Army Corp of Engineer; and

BE IT FURTHER RESOLVED that the Honorable Isabella L. de la Houssaye be and she is hereby authorized, empowered and directed to execute a wetlands mitigation contract with Lonesome Dove Mitigation Area as the City's contractor to provide for mitigation procedures to satisfy the requirements of the above referenced Corp of Engineers permit set forth by the mitigation plan and attached thereto as Exhibit "B"; and said Exhibit "B" shall be attached to the wetlands mitigation contract as part of the material terms and conditions thereof: and

BE IT FURTHER RESOLVED that Honorable Isabella L. de la Houssaye be and she is hereby authorized, empowered and directed to execute any and all necessary documents furnishing all necessary assurances and information as may be necessary to conclude said matter as may meet proper in the premises.

THUS DONE, SIGNED AND ADOPTED on this the 10th day of February, 2004, in Crowley, Acadia Parish. Louisiana.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

Alderman Martin moved to authorize Mader Engineering to prepare plans and specifications and secure a contract for “Sewer Main Relocation in Crowley Industrial Park (La PAC Lot)” and authorize the Mayor to enter into a construction contract for this project. Seconded by Alderwoman Melancon and duly adopted.

PUBLIC SAFETY:

Alderman Buatt offered a motion for Chief Gibson to meet with Steven Lambousy with Broussard Poche Lewis & Breaux to conduct a pay plan and report findings to the Council. Seconded by Alderman Premeaux and duly adopted.

Alderman Buatt offered a motion to approve the renewal of a 2004 Class B Retail Package Beer Permit and 2004 Class B Retail Package Liquor Permit for Roger C. Holmes of Brothers Enterprises d/b/a Holmes Food Mart No. 19 located at 9002 South LA 13, Crowley, LA. Seconded by Alderwoman Melancon and duly adopted.

Alderman Buatt offered a motion to approve a 2004 application from Frank J. Relan of Riverbend Truckstop & Palace Casinos, Inc. d/b/a Crowley Truckstop & Casino for their initial 2004 Class A Retail Outlet Beer Permit and 2004 Class A Retail Outlet Liquor Permit located at 9002 South LA 13, Crowley, LA. Seconded by Alderman Martin and duly adopted.

Alderman Buatt offered a motion to call for a public forum to consider water fluoridation and to limit comments to 3 minutes per person. Seconded by Alderwoman Melancon and duly adopted.

Alderman Buatt offered a motion to authorize Mayor de la Houssaye to consult with Dr. Taylor and establish the date and time for the public forum on water fluoridation. Seconded by Alderman Premeaux and duly adopted.

ZONING & ANNEXATION:

The following resolution was offered by Alderman Marceaux, duly seconded by Alderwoman Melancon, and duly resolved and adopted.

RESOLUTION OF THE MAYOR AND BOARD OF
ALDERMEN OF THE CITY OF CROWLEY,
ACADIA PARISH, LOUISIANA, INTRODUCING A
PROPOSED ORDINANCE AND CALLING FOR A
PUBLIC HEARING CONCERNING SAME

WHEREAS, an ordinance has been proposed to be adopted by the Board of Aldermen of the City of Crowley; and

WHEREAS, the proposed ordinance must be introduced by its title; and

WHEREAS, a public hearing must be held prior to its adoption; and

WHEREAS, the title of the proposed ordinance must be published in the official journal and the notice shall provide for the time and place where the Board will consider its adoption.

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Board of Aldermen of the City of Crowley that the following ordinance be and it is hereby introduced for consideration at the next regular meeting of the Mayor and Board of Aldermen, to-wit:

ORDINANCE NO. 1283

AN ORDINANCE TO REVOKE THE DEDICATION OF THE ALLEYWAY SITUATED IN BLOCK FIFTY-NINE (59) OF THE CICO ADDITION TO THE CITY OF CROWLEY, ACADIA PARISH, LOUISIANA, AS PER PLAT OF THE CICO ADDITION NO. 1 AND TO REVOKE ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT TO OR IN CONFLICT THEREWITH.

BE IT FURTHER RESOLVED by the Mayor and Board of Aldermen of the city of Crowley that the City Clerk shall publish the following notice in the Crowley Post Signal:

NOTICE OF PROPOSED ADOPTION OF ORDINANCE

The Board of Aldermen of the City of Crowley, shall meet on the 9th day of March, 2004 at 6:00 o'clock p.m. in the Council Chambers, City Hall, Crowley, LA, to consider the adoption of the following ordinance:

ORDINANCE NO. 1283

AN ORDINANCE TO REVOKE THE DEDICATION OF THE ALLEYWAY SITUATED IN BLOCK FIFTY-NINE (59) OF THE CICO ADDITION TO THE CITY OF CROWLEY, ACADIA PARISH, LOUISIANA, AS PER PLAT OF THE CICO ADDITION NO. 1 AND TO REVOKE ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT TO OR IN CONFLICT THEREWITH.

Copies of the proposed Ordinance are available for a nominal fee in the office of the City Clerk, City Hall, Crowley, LA.

THUS DONE AND SIGNED on this the 10th day of February, 2004.

JUDY L. ISTRE, CITY CLERK

THUS DONE, SIGNED AND ADOPTED on this the 10th day of February, 2004 in Crowley, Acadia Parish, Louisiana.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

The following resolution was offered by Alderman Marceaux, duly seconded by Alderwoman Melancon, and duly resolved and adopted.

RESOLUTION OF THE MAYOR AND BOARD OF
ALDERMEN OF THE CITY OF CROWLEY,
ACADIA PARISH, LOUISIANA, INTRODUCING A
PROPOSED ORDINANCE AND CALLING FOR A
PUBLIC HEARING CONCERNING SAME

WHEREAS, an ordinance has been proposed to be adopted by the Board of Aldermen of the City of Crowley; and

WHEREAS, the proposed ordinance must be introduced by its title; and

WHEREAS, a public hearing must be held prior to its adoption; and

WHEREAS, the title of the proposed ordinance must be published in the official journal and the notice shall provide for the time and place where the Board will consider its adoption.

NOW THEREFORE, BE IT RESOLVED, by the Mayor and Board of Aldermen of the City of Crowley that the following ordinance be and it is hereby introduced for consideration at the next regular meeting of the Mayor and Board of Aldermen, to-wit:

ORDINANCE NO. 1284

AN ORDINANCE TO REVOKE THE DEDICATION OF THE ALLEYWAY SITUATED IN BLOCK SIXTY (60) OF THE CICO ADDITION TO THE CITY OF CROWLEY, ACADIA PARISH, LOUISIANA, AS PER PLAT OF THE CICO ADDITION NO. 1 AND TO REVOKE ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT TO OR IN CONFLICT THEREWITH.

BE IT FURTHER RESOLVED by the Mayor and Board of Aldermen of the city of Crowley that the City Clerk shall publish the following notice in the Crowley Post Signal:

NOTICE OF PROPOSED ADOPTION OF ORDINANCE

The Board of Aldermen of the City of Crowley, shall meet on the 9th day of March, 2004 at 6:00 o'clock p.m. in the Council Chambers, City Hall, Crowley, LA, to consider the adoption of the following ordinance:

ORDINANCE NO. 1284

AN ORDINANCE TO REVOKE THE DEDICATION OF THE ALLEYWAY SITUATED IN BLOCK SIXTY (60) OF THE CICO ADDITION TO THE CITY OF CROWLEY, ACADIA PARISH, LOUISIANA, AS PER PLAT OF THE CICO ADDITION NO. 1 AND TO REVOKE ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT TO OR IN CONFLICT THEREWITH.

Copies of the proposed Ordinance are available for a nominal fee in the office of the City Clerk, City Hall, Crowley, LA.

THUS DONE AND SIGNED on this the 10th day of February, 2004.

JUDY L. ISTRE, CITY CLERK

THUS DONE, SIGNED AND ADOPTED on this the 10th day of February, 2004 in Crowley, Acadia Parish, Louisiana.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

PUBLIC BUILDINGS:

Alderman Premeaux offered a motion to approve Partial Payment No. 1 to E. L. Habetz, Inc. for the Crowley Baseball Park Concession in the amount of \$32,400.00. Seconded by Alderman Buatt and duly adopted with Alderman Marceaux voting nay.

Alderman Premeaux offered a motion to approve Partial Payment No. 3 to E. L. Habetz Builders, Inc. for the Restoration to Rice Interpretive Center with Administrative Offices in the amount of \$23,178.00. Seconded by Alderwoman Melancon and duly adopted.

The following resolution was offered by Alderman Premeaux, duly seconded by Alderman Buatt, and duly resolved and adopted.

RESOLUTION OF THE MAYOR AND BOARD OF
ALDERMEN OF THE CITY OF CROWLEY
AUTHORIZING THE ADVERTISEMENT OF BIDS FOR
CONSTRUCTION OF MANUFACTURING PLANT
EXPANSION TO BE LEASED TO LAPAC
MANUFACTURING, INC. AND TO PROVIDE FOR
ALL MATTERS RELATIVE THERETO.

WHEREAS, the City of Crowley received a grant of seven hundred thousand & no/100 (\$700,000.00) dollars from the Louisiana Department of Economic Development to assist in constructing facilities and infrastructure necessary to accommodate the needs of LaPac Manufacturing, Inc.; and

WHEREAS, LaPac Manufacturing, Inc. has agreed to pay all amounts in excess of the grant amount of seven hundred thousand & no/100 (\$700,000.00) dollars necessary for the construction of the additional facilities and infrastructure improvements in accordance with the plans and specifications of the architect and engineers based on an estimated construction budget of one million eight hundred thousand & no/100 (\$1,800,000.00) dollars; and

WHEREAS, Ron Lawson, Architect, has submitted plans and specifications for the facility; and

WHEREAS, the City of Crowley and LaPac Manufacturing, Inc. have requested that the architect make adjustments and design changes to the building to assure that the estimated cost of construction is within the budgeted amount; and

WHEREAS, the Board of Aldermen find that it is in the best interest that the City proceed to authorize advertisement for bids as soon as practical;

NOW THEREFORE BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Crowley, Acadia Parish, Louisiana, in regular session duly convened that they do hereby authorize, empower and direct the Honorable Isabella L. de la Houssaye, Mayor of the City of Crowley, to advertise for bids for a Plant Expansion in the Crowley Industrial Park for LaPac Manufacturing, Inc. by the City of Crowley and to schedule a date to receive and open bids in her sole discretion.

THUS DONE AND ADOPTED in regular session at Crowley, Acadia Parish, Louisiana, on this the 10th day of February, 2004.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

INSURANCE & PERSONNEL:

Alderswoman Pete offered a motion to hire David Morgan as a Police Officer Recruit effective February 12, 2004 contingent upon physical examination and drug screening. Seconded by Alderman Buatt and duly adopted.

Alderswoman Pete offered a motion to hire Clifton Anderson, Jr. as a Police Officer Recruit effective February 12, 2004 contingent upon physical examination and drug screening. Seconded by Alderman Buatt and duly adopted.

COMMUNITY & ECONOMIC DEVELOPMENT:

Alderman Istre offered a motion to amend the motion of December 9, 2003 meeting pertaining to the agreement with the International Rice Festival Association to read "to enter into an agreement with the International Rice Festival Association for the International Rice Festival Association to use the City of Crowley's beer permit for the festival. This agreement shall be for a period of 10 years, renewable annually and contingent upon both parties agreement. The City of Crowley will receive 15% of the net receipts for sale of beer." Seconded by Alderman Buatt and duly adopted after the following roll call vote:

YEAS: James M. Buatt, Tiger Istre, Woody Marceaux, Vernon Martin, Mary T. Melancon, Laurita D. Pete, Steven C. Premeaux and Kitty Valdetero

NAYS: None

ABSENT: Ira Thomas

Alderswoman Melancon offered a motion to have a late afternoon July Fete celebration with fireworks, bands and parade. Bands will perform on the gallery of the Enterprise Center instead of using the portable stage. Seconded by Alderswoman Pete and duly adopted.

RECREATION:

Alderman Premeaux offered a motion to authorize the Mayor to secure a contract for the grading and limestone surfacing of the Hensgens Park Parking Area. Seconded by Alderswoman Melancon and duly adopted.

REVENUE & FINANCE:

Alderswoman Valdetero offered a motion to increase the school crossing guards' salaries from \$5.15 to \$6.00 per hour effective next pay period, February 12, 2004. Seconded by Alderswoman Pete and duly adopted.

ORDINANCES:

The following Ordinance was offered by Alderswoman Melancon, duly seconded by Alderman Istre, and duly ordained and adopted.

ORDINANCE NO. 1280

AN ORDINANCE TO AMEND ORDINANCE NO. 1277 OF THE CITY OF CROWLEY TO INCLUDE IN THE DESCRIPTION OF THE PROPERTY TO BE LEASED WITH OPTION TO PURCHASE TO LAPAC MANUFACTURING, INC. THREE (3) CONTIGUOUS TRACTS OF LAND CONTAINING 11.5 ACRES, MORE OR LESS, LOCATED IN THE GREATER CROWLEY INDUSTRIAL DEVELOPMENT PARK, SITUATED IN SECTION 5, TOWNSHIP 10 SOUTH, RANGE 1 EAST, ACADIA PARISH, LOUISIANA, AND TO RATIFY AND RE-ADOPT ALL THE TERMS AND CONDITIONS OF THE ORIGINAL ORDINANCES NO. 1277 AS MORE FULLY SET FORTH HEREIN AND TO PROVIDE FOR ALL MATTERS RELATIVE THERETO.

WHEREAS, the City of Crowley previously adopted Ordinance No. 1277 authorizing a Lease with Option to Purchase to LaPac Manufacturing, Inc. certain property situated in the Crowley Industrial Development Park, together with all buildings and improvements situated thereon, providing for the terms and conditions of the Lease with Option to Purchase conditioned upon the completion of the Economic Development infrastructure Award contract in accordance with the terms and conditions thereof: and

WHEREAS, it was necessary to apply to the Planning and Zoning Commission for resubdivision of the acreage sought to be leased/purchased by LaPac Manufacturing, Inc.: and

WHEREAS, the Planning and Zoning Commission of the City of Crowley will meet to approve the preliminary plat and final plat of the resubdivision of the Crowley Industrial Park; and

WHEREAS, the final plat will be accepted and approved by this body upon the receipt of the recommendation of the Planning and Zoning Commission and to authorize the filing of the final plat in the records of the Clerk and Recorder of Acadia Parish, Louisiana; and

WHEREAS, the City of Crowley has accepted a contract with the Louisiana Department of Economic Development and LaPac Manufacturing, Inc. to administer funds for an Economic Development Infrastructure Grant which is to assist in the construction of new facility and improvements to the property; and

WHEREAS, LaPac Manufacturing Inc. has agreed to fund the remaining difference in cost of the facility; and

WHEREAS, the plans and specifications for said project have been approved and are ready to be let for bid; and

WHEREAS, this ordinance has been duly introduced and notice of this ordinance and notice of public hearing having been published; and

WHEREAS, a public hearing having been held in accordance with law on the 10th day of February, 2004 at 6:00 p.m.;

NOW THEREFORE BE IT ORDAINED by the Mayor and Members of the Board of Aldermen of the City of Crowley that Ordinance No. 1277 be and the same is hereby amended to substitute in the Lease with Option to Purchase the description of the property therein with the following description, to-wit:

That certain tract of land containing 11.498 acres, more or less, being situated in Section 5 and Section 37, Township 10 South, Range 1 East, Acadia Parish, Louisiana, together with all buildings, improvements and immovables by destination situated thereon, and all rights, ways and servitudes thereunto appertaining, situated in the City of Crowley, Acadia Parish, Louisiana, and being more particularly described as commencing at the intersection of the projection of the east right of way of American Legion Drive and the center of the Burlington Northern Santa Fe railroad tracts, and running thence north 25° 35' 00" west, a distance of 180.00 feet; to the point of beginning; from said point of beginning, running thence north 25° 35' 00" west, a distance of 910.40 feet; thence, north 64° 15' 00" east, a distance of 478.50 feet; thence south 25° 35' 00" east, a distance of 15.60 feet; thence north 64° 18' 20" east, a distance of 154.30 feet; thence south 25° 35' 00" east, a distance of 422.69 feet; thence south 64° 15' 00" west, a distance of 154.30 feet; thence south 25° 35' 00" east, a distance of 16.76 feet; thence south 25° 35' 00" east, a distance of 471.96 feet; thence south 64° 15' 00" west, a distance of 478.50 feet to the point of beginning and containing 11.498 acres, more or less, all is more fully shown on the Plat of Survey of the Resubdivision of Tracts Located in Crowley Industrial Park Located in Section 5 and 37 , Township 10 south, Range 1 East, Acadia Parish, Louisiana, dated February 9, 2004, by Mader Engineering, Charles T. Mader, CE.

BE IT FURTHER ORDAINED that said Lease with Option to Purchase shall be for a total price and consideration THREE HUNDRED THIRTY- FIVE THOUSAND & NO/100 (\$335,000.00) DOLLARS to be fixed and paid in equal monthly installments over a term to be not less than ten (10) years (120 months) and not more than fifteen (15) years (180 months) with an option to purchase at any time prior to the final payment due thereon for the total amount of the lease plus the sum of ONE HUNDRED & NO/100 (\$100.00) DOLLARS; and

BE IT FURTHER ORDAINED by the Board of Aldermen of the City of Crowley that said Lease with Option to Purchase shall contain all of the usual terms and conditions thereof and shall include provisions that the lease and the option to purchase, if exercised, shall be without warranty as to the building and improvements on the above described property and that the buildings and improvements shall be leased and transferred "AS IS", "WHERE IS", "WITHOUT ANY WARRANTY WHATSOEVER AS THEIR FITNESS FOR USE FOR ANY PURPOSE WHATSOEVER", and that LaPac Manufacturing, Inc. shall use the facilities for the purpose of constructing, sewing and manufacturing bags, containers and other items for commercial and industrial use and that LaPac Manufacturing, Inc. shall obtain an Economic Development Infrastructure Grant from the Louisiana Department of Economic Development and said funds shall be managed and handled through an Economic Development Contract Agreement between the Louisiana Department of Economic Development, LaPac Manufacturing, Inc, and the City of Crowley by which said funds to be used for the purpose of acquiring and constructing additional buildings and facilities on the said property, and/or renovations and upgrades to the existing building and facility and/or to acquire equipment to be used in the manufacturing process as acquired in the Economic Development Agreement, that any subsequent sublease or sale of the property shall not be made without the expressed written consent of the City of Crowley in accordance with the limitations expressed herein and in the other restrictive covenants of the transfer to the City of Crowley by the Greater Crowley Industrial Development Corporation and that any subsequent transfer shall contain the same restrictions and requirements for prior approval and consent from the City of Crowley to any subsequent lease or transfer of the property, that the number of jobs to be retained and added by the LaPac Manufacturing, Inc. as stated in the application for Infrastructure Award from the Louisiana Economic Development shall be met under the terms and conditions of the program and that all terms and conditions of the agreement and the terms and conditions of the award be fulfilled by LaPac Manufacturing, Inc: and

BE IT FURTHER ORDAINED that all ordinances in conflict herewith or in contrary hereto, be and the same are hereby repealed and that all parts of Ordinance No. 1277 in conflict herewith or contrary thereto be and the same are hereby repealed and in all other

respects said Ordinance No. 1277 be and the same is hereby ratified and confirmed in its entirety: and

BE IT FURTHER ORDAINED that said Lease with option to Purchase shall not be executed until the final execution of the contract for the Economic Development Award and the acceptance and approval of the final plat of the resubdivision of the property has been completed; and

BE IT FURTHER ORDAINED that should any part or portion of this ordinance be held invalid, such decision shall not affect the validity of the remaining portions of this ordinance and do hereby declare the provisions hereof to be severable, then in that event, only that part or portion shall be deemed unconstitutional or invalid and the remaining parts or portions will not be affected and shall continue in full force and effect.

THUS DONE AND ADOPTED on this the 10th day of February, 2004 at Crowley, Acadia Parish, Louisiana, after a roll call as follows:

YEAS: James M. Buatt, Tiger Istre, Woody Marceaux, Vernon Martin, Mary T. Melancon, Laurita D. Pete, Steven C. Premeaux and Kitty Valdetero

NAYS: None

ABSENT: Ira Thomas

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

The Mayor announced that the next item of business was to take up for consideration an ordinance accepting, approving and authorizing the execution and delivery of a commitment agreement and a loan and pledge agreement between the City of Crowley, State of Louisiana and Louisiana Department of Environmental Quality, providing for a loan of not to exceed \$1,500,000 from the Municipal Facilities Revolving Loan Fund, and the issuance, sale and delivery of not to exceed a \$1,500,000 sewer revenue note of the City to evidence said loan and authorizing additional draws of \$1,000,000 on the City of Crowley's 2000 loan from the Revolving Loan Fund and \$40,000 on the City of Crowley's 1995 loan from the Revolving Loan Fund

Thereupon, the proposed ordinance in written form was taken up for discussion. The Mayor invited questions from the audience. After a full consideration and discussion, and after receiving the comments of any interested citizen desiring to be heard, a motion was made by Alderwoman Melancon and seconded by Alderman Martin that the ordinance be adopted.

And the Ordinance provides as follows:

ORDINANCE NO. 1281

AN ORDINANCE ACCEPTING THE TERMS OF AND APPROVING AND AUTHORIZING THE EXECUTION OF A COMMITMENT AGREEMENT AND A LOAN AND PLEDGE AGREEMENT WITH THE LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (THE "DEPARTMENT"); PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF NOT TO EXCEED \$1,500,000 OF SEWER REVENUE NOTES, SERIES 2004 OF THE CITY OF CROWLEY, STATE OF LOUISIANA; PRESCRIBING THE FORM, FIXING THE DETAILS AND PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SAID NOTES, AND ENTERING INTO CERTAIN COVENANTS AND

AGREEMENTS IN CONNECTION WITH THE SECURITY AND PAYMENT OF THE SAID NOTES, SAID NOTES TO BE ISSUED ON A PARITY WITH THE SEWER REVENUE BOND, SERIES 1995 AND THE SEWER REVENUE BOND, SERIES 2000 (THE "PARITY OBLIGATIONS") ISSUED BY THE CITY OF CROWLEY AND SOLD TO AND HELD BY THE DEPARTMENT; AND AUTHORIZING ADDITIONAL DRAWS ON THE PARITY OBLIGATIONS TO BE USED FOR THE PURPOSE OF PAYING A PORTION OF THE COSTS OF CONSTRUCTING AND ACQUIRING IMPROVEMENTS TO THE CITY'S SEWERAGE SYSTEM, AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City of Crowley, State of Louisiana (the "Borrower"), now owns and operates sewerage collection, treatment and disposal facilities (the "System"), and desires to construct and acquire renovations, expansions and additional improvements to said system (the "2004 Project"); and

WHEREAS, the United States of America, pursuant to the Federal Water Quality Act of 1987 (the "Water Quality Act") has required each state to establish a water pollution control revolving fund to be administered by an instrumentality of the state for the purpose of receiving capitalization grants from the United States to assist local governmental entities, such as the Borrower, by means of loans and other forms of financial assistance, to finance the cost of acquiring and constructing wastewater treatment facilities; and

WHEREAS, the State of Louisiana (the "State"), pursuant to Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), has established in the custody of the Louisiana Department of Environmental Quality (the "Department") its Municipal Facilities Revolving Loan Fund (the "Fund") to be used for the purpose of assisting local governmental entities to finance the construction of eligible wastewater treatment facilities, such as the Project, in accordance with the Water Quality Act, the Act and applicable rules and regulations of the United States Environmental Protection Agency (the "EPA") and the Department; and

WHEREAS, the Borrower obtained a loan from the Department from the Fund to finance improvements to the System, pursuant to a Loan and Pledge Agreement between the Borrower and the Department (the "1995 Loan Agreement") No. CS-221045-02, dated as of December 1, 1995, authorizing the issuance of not to exceed \$12,000,000 of loans and bonds, to be evidenced by multiple series, with the initial loan in an amount not to exceed \$4,500,000, as evidenced by the Borrower's Sewer Revenue Bond, Series 1995 (the "1995 Bond"), in the principal amount of not to exceed \$4,500,000, which bond was authorized to be issued pursuant to a resolution adopted December 12, 1995 (the "1995 Resolution"), the proceeds of which loan (the "1995 Loan"), as evidenced by the 1995 Bond, were used to construct additions, extensions and improvements to the Borrower's System (the "1995 Project") and to redeem the outstanding bond anticipation notes issued in connection with the 1995 Project and the 1995 Loan; and

WHEREAS, the Department amended the 1995 Loan to reduce the amount of the loan commitment and bonds to an amount of \$4,500,000, as evidenced by the 1995 Bond; and

WHEREAS, the total amount paid by the Department for the principal purchase price of the 1995 Bond to date is \$4,457,429.57, that \$1,295,000.00 of the outstanding principal amount of the 1995 Bond has been paid and redeemed by the Borrower, reducing the present outstanding principal balance of the 1995 Bond to the sum of \$3,162,429.59; and

WHEREAS, the Borrower desires to draw down the amount of \$42,570.43, the balance of the authorized 1995 Loan, under the terms of the 1995 Loan Agreement and to use said amount to construct and acquire additional expansions, extensions, renovations and improvements to the Borrower's sewerage system; and

WHEREAS, the Borrower obtained a loan from the Department from the Fund to finance improvements to the System, pursuant to a Loan and Pledge Agreement between the Borrower and the Department (the “2000 Loan Agreement”), No. CS-22-1045-03 dated as of February 1, 2000, authorizing the issuance of not to exceed \$3,000,000 of loans and bonds, to be evidenced by the Borrower’s not to exceed \$3,000,000 Sewer Revenue Bond, Series 2000, (the “2000 Bond”), which bond was authorized to be issued pursuant to a resolution adopted March 14, 2000 (the “2000 Resolution”); and

WHEREAS, the State Bond Commission approved the Borrower’s draw-down of the amount of \$2,000,000 on the 2000 Bond, with the reservation to apply to the State Bond Commission for additional approval to draw down the remaining amount of \$1,000,000 of the proceeds of the 2000 Bond were used to construct additions, expansions, extensions and improvements to the Borrower’s System (the “2000 Project”); and

WHEREAS, the total amount paid by the Department for the principal purchase price of the 2000 Bond to date is \$1,872,486.96; that \$105,000.00 of the outstanding principal amount of the 2000 Bond has been paid and redeemed by the Borrower, reducing the present outstanding principal balance of the 2000 Bond to the sum of \$1,827,883.52; and

WHEREAS, in order to continue with its sewerage system improvement program, the Borrower has made timely application to the Department for an additional loan in the amount of \$1,500,000 to finance additional eligible costs of improvements, additions and extensions to the Borrower’s Sewer System, as hereinafter defined (the “2004 Project ”), and the Department has agreed to extend a loan from the Fund by the purchase from the Borrower of an additional sewer revenue note in the principal amount of not to exceed \$1,500,000, secured and payable on a parity with the 1995 Bond and the 2000 Bond from the revenues of the System which are the same funds established by the 1995 Resolution and the 2000 Resolution, and as supplemented by the terms of this Ordinance (the “2004 Ordinance”), and the 2004 Loan and Pledge Agreement between the Department and the Borrower (“DEQ Loan No. CS22 1045-04 dated as of _____, 2004”); and

WHEREAS, the Mayor and Board of Aldermen, as the governing authority of the Borrower, desires to authorize the issuance and delivery of the Borrower’s Sewer Revenue Note, Series 2004 (the “2004 Note”); and

WHEREAS, other than the Series 1995 Bond, the 2000 Bond, and the 2004 Note herein authorized, the Borrower has outstanding no bond or other debt obligations of any kind or nature payable from or enjoying a lien on the revenues of the Borrower’s sewer System; and

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the 2004 Note and to provide for the authorization and issuance thereof, as hereinafter provided;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Crowley, State of Louisiana (the “Governing Authority”), acting as the governing authority of the City of Crowley, State of Louisiana (the “Borrower”), as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions. The following terms shall have the meanings specified in this Article, unless the context otherwise requires:

“1995 Bond” means the Sewer Revenue Bond, Series 1995 issued by the Borrower in the aggregate principal amount of not to exceed \$4,500,000, of which the principal amount of \$3,162,429.57 remains outstanding, issued in accordance with the 1995 Resolution and the 1995 Loan and Pledge Agreement as further described hereinafter.

“1995 Loan” means an initial loan in an amount not to exceed \$4,500,000, as evidenced by the 1995 Bond, authorized to be issued pursuant to a resolution adopted December 12, 1995, by the Governing Authority (hereinafter defined).

“1995 Loan Agreement” means the Loan and Pledge Agreement number CS-22-1045-02, dated as of December 1, 1995, between the Borrower and the Department (hereinafter defined).

“1995 Resolution” means the resolution adopted by the Governing Authority on December 12, 1995, issuing the 1995 Bond.

“2000 Bond” means the Sewer Revenue Bond, Series 2000 issued by the Borrower in the aggregate principal amount of not to exceed \$3,000,000, of which the principal amount of \$1,767,486.96 remains outstanding, with an additional \$1,000,000 which may be drawn down by the Borrower subject to approval by the State Bond Commission, said 2000 Bond having been issued in accordance with the 2000 Resolution and the 2000 Loan and Pledge Agreement as further described herein;

“2000 Loan” means an initial loan in the amount not to exceed \$2,000,000, as evidenced by the 2000 Bond, authorized to be issued pursuant to a resolution adopted by the Governing Authority.

“2000 Loan Agreement” means the Loan and Pledge Agreement number CS-22-1045-03, dated as of February 1, 2000, between the Borrower and the Department (hereinafter defined).

“2000 Resolution” means the resolution adopted by the Governing Authority on March 14, 2000, authorizing the issuance of the 2000 Bond.

“2004 Note” means the Sewer Revenue Note, Series 2004, in a principal amount of not to exceed \$1,500,000, issued pursuant to this Ordinance of the Governing Authority and the 2004 Loan and Pledge Agreement as further described herein, secured by an irrevocable lien and pledge of the revenues of the System (hereinafter defined) from the funds referred to in Section 3.3, on a parity basis with the 1995 Bond and the 2000 Bond;

“2004 Completion Date” means the date on which operation of the completed 2004 Project financed with the proceeds of the 2004 Note is placed in service or capable of being placed in service, whichever is earlier, as that date is certified by the Authorized Officer as provided in Section 6.7 of the 2004 Loan Agreement.

“2004 Loan” means the initial loan in the amount not to exceed \$1,500,000, as evidenced by the 2004 Note, authorized to be issued pursuant to this 2004 Ordinance.

“2004 Loan Agreement” means the Loan and Pledge Agreement Number CS22-1045-04 dated as of _____, 2004, between the Borrower and the Department (hereinafter defined).

“2004 Ordinance” or “2004 Authorizing Ordinance” means this Ordinance adopted by the Governing Authority on February 10, 2004, authorizing the issuance of the 2004 Note.

“2004 Project” means renovations, additions, improvements and expansions to the Borrower’s sewerage collection, treatment and disposal system, including replacement of gravity sewer lines in West Crowley, replacement of forcemains from Avenue I and Hockaday pump stations, as more fully described in Exhibit C hereto.

“Act” or “State Revolving Fund Act” means the applicable provisions of Chapter 4 of Subtitle II, Title 30 of the Louisiana Revised Statutes of 1950 (L.R.S. 30:2078 through and including L.R.S. 30:2088), as amended.

“Administrative Fee” means the fee due by the Borrower to the Department of one-half of one percent (0.5%) per annum of the outstanding principal amount of the Loan 2004 as represented by the 2004 Note, or such lesser amount, if any, as the Department may

approve from time to time, which shall be payable in installments on each Interest Payment Date in the percentage of each 2004 Loan repayment which is the present value equivalent of .5% per annum of the outstanding principal amount of the 2004 Loan or such lesser amount as the Department may approve from time to time and which shall be treated in the same manner as an interest obligation.

“Additional Parity Obligations” means any additional pari passu indebtedness issued by the Borrower and payable from the Revenues on a parity with the Borrower Obligations in accordance with the applicable provisions of the Loan Agreements, Authorizing Ordinances and the Borrower Obligations, provided that Additional Parity Obligations are authorized to be issued when authorized and directed by the owner and holder of all the Outstanding Borrower Obligations.

“Authorized Officer” means, in the case of the Borrower, the Mayor or the Clerk of the Borrower, or such other person or persons authorized pursuant to a resolution or ordinance of the Governing Authority to act as an authorized officer of the Borrower to perform any act or execute any document relating to the 2004 Loan, the 2004 Note or this 2004 Ordinance.

“Authorizing Ordinances” means collectively the 1995 Resolution, the 2000 Resolution, and this 2004 Ordinance.

“Borrower” means the City of Crowley, State of Louisiana, a political subdivision of the State, and its successors and assigns.

“Borrower Obligations” means, collectively, the 1995 Bond, the 2000 Bond, the 2004 Note, and any additional Parity Obligations hereafter issued and outstanding.

“Budget” means the complete schedule of anticipated costs to be incurred by the Borrower in constructing, acquiring and furnishing the 2004 Project.

“Business Day” means any day on which State offices are open to conduct business.

“Clean Water Act” means the Federal Clean Water Act of 1972, as amended by the Water Quality Act of 1987, as amended.

“Code” shall mean the Internal Revenue Code of 1986, as the same may be amended and supplemented from time to time, including any regulations promulgated thereunder or any administrative or judicial interpretations thereof.

“Default” means an event or condition, the occurrence of which would constitute with the lapse of time or the giving of notice or both an Event of Default with respect to the 2004 Note.

“Department” shall mean the Louisiana Department of Environmental Quality, an executive department and agency of the State, and any successor to the duties and functions thereof.

“Engineer” means an independent consulting utility engineer or firm of consulting utility engineers with skill and experience in the construction, operation and maintenance of wastewater treatment facilities of the nature of the System.

“Executive Officers” shall mean collectively the Mayor and the Clerk of the Borrower.

“Final 2004 Loan Installment” means the final disbursement of Loan proceeds for the 2004 Note, representing the final disbursement of proceeds of the 2004 Loan made by the Department as purchaser of the 2004 Note of the Borrower under the terms of the 2004 Loan Agreement, which disbursement must be made no later than 180 days after the completion of the 2004 Project.

“Fiscal Year” means the one-year period beginning on September 1st of any year and ending August 31st of the next succeeding year or any other annual accounting period as may be determined by the Governing Authority as the fiscal year of the Borrower.

“Governing Authority” means the Mayor and Board of Aldermen of the City of Crowley, State of Louisiana, or its successor in function.

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

“Interest Payment Date” means September 1 and March 1 of each year, commencing March 1, 2005 with respect to the 2004 Note.

“Interim Loan Period” means, with respect to the 2004 Note, the period extending from the Loan Closing through the Scheduled Completion Date.

“Loan” or “Loans” means collectively the 1995 Loan, the 2000 Loan, and the 2004 Loan.

“Loan Closing” means the date of delivery of the 2004 Note upon payment by the Department of an initial disbursement of a portion of the principal amount of the 2004 Note.

“Net Revenues” means the Revenues of the System, after payment from the Revenues of all reasonable and necessary expenses of operating and maintaining the System.

“Note Year” means the twelve month period beginning September 1 of any year and continuing through August 31 of the next succeeding year.

“Outstanding” means when used with respect to outstanding 2004 Note as of the date of determination, all Borrower Obligations theretofore issued and delivered under the Authorizing Ordinances, except:

- (a) The principal amount of any Borrower Obligation theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) The principal amount of the Borrower Obligation for the payment or redemption of which sufficient money or Government Securities or both are held irrevocably in trust, as provided in Article 9.1 of this 2004 Ordinance, and as authorized by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:1441-1443);
- (c) Borrower Obligation in exchange for or in lieu of which other Borrower Obligations have been registered and delivered pursuant to the Authorizing Ordinances; and
- (d) Any Borrower Obligation alleged to have been mutilated, destroyed, lost or stolen which have been presented to the Paying Agent and paid and cancelled or destroyed, as provided in the Authorizing Ordinances or by law.

“Parity Obligations” means, collectively, the 1995 Bond and the 2000 Bond.

“Paying Agent” means the Clerk of the Borrower, unless and until a successor Paying Agent shall have become such pursuant to the applicable provisions of the 2004 Ordinance and thereafter “Paying Agent” shall mean such successor Paying Agent.

“Permanent Loan Period” means, with respect to the 2004 Note, the 20-year loan period extending from the Scheduled Completion Date through September 1, 2025.

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

“Principal Payment Date” means, with respect to the 2004 Note, September 1 of each year, commencing September 1, 2005, with the final Principal Payment Date to be September 1, September 1, 2025.

“Prior Bond Resolutions” means, collectively, the 1995 Resolution and the 2000 Resolution.

“Rates and Charges” means all fees, rates, assessments or other charges established by or on behalf of the Borrower for services, facilities and commodities furnished or supplied by it from the operation of the System.

“Record Date” for the interest payable on any Interest Payment Date on Borrower Obligation means the 15th calendar day of the month next preceding such Interest Payment Date, whether or not such day is a business day.

“Regulations” means the regulations of the Department adopted pursuant to and in furtherance of the Clean Water Act and the State Revolving Fund Act, as such may be amended from time to time, as set forth in Volume 14, Title 33, Part 9, Chapter 21 of the Louisiana Administrative Code, or any successor provision thereto.

“Renewal and Replacement Fund” means the separately identifiable fund or account established with the Fiscal Agent of the Borrower and designated as the Sewer System Renewal and Replacement Fund, originally established by the 1995 Resolution, and approved by 2000 Resolution, and this 2004 Ordinance.

“Reserve Fund” means the separately identifiable fund or account (separated physically or by accounting) established with the Borrower’s fiscal agent bank and designated as the Sewer Revenue Bond Debt Service Reserve Fund, originally established by the 1995 Resolution, and approved and ratified by 2000 Resolution and this 2004 Ordinance, wherein there shall be deposited monthly on or before the 20th day of each month of each year, a sum at least equal to five percent (5%) of the amount required to be paid into the Sinking Fund for such month with respect to the Borrower Obligations, such payments into the said Reserve Fund to continue until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement.

“Reserve Fund Requirement” means as of any date the lesser of (i) ten percent (10%) of the proceeds of the Borrower Obligations or (ii) the scheduled maximum principal and interest requirements in any succeeding Note Year on the Borrower Obligations.

“Revenue Fund” means the separately identifiable fund or account established with the Fiscal Agent of the Borrower designated as the “Sewer Revenue Fund” or the “Revenue Fund” by the Authorizing Ordinances, wherein all Revenue shall be deposited as collected on a daily basis.

“Revenues” means all income and revenues to be derived by the Borrower from the operation of the System, including earnings on investments in the funds and accounts described in Section 3.3 hereof, but not including any insurance or condemnation proceeds, or proceeds from the sale or other disposition of any part of the System as hereinafter described.

“Sinking Fund” means the separately identifiable fund or account (separated physically or through accounting) established with the Borrower’s fiscal agent bank in accordance with requirements of the Authorizing Ordinances, and designated as the Sewer Revenue Bond Sinking Fund or the “Sinking Fund,” in accordance with the requirements of the Authorizing Ordinances, wherein moneys from the Revenue Fund shall be deposited in amounts sufficient to pay promptly and fully the principal of and interest on the 1995 Bond, the 2000 Bond, the 2004 Note, and any additional Parity Obligations issued and outstanding as they severally become due and payable.

“State” means the State of Louisiana.

“State Revolving Fund” means the Municipal Facilities Revolving Loan Fund established by the Department pursuant to the Clean Water Act and the State Revolving Fund Act.

“State Revolving Fund Act” means Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended, particularly Sections 2078 through 2088 thereof, as the same may be amended or supplemented from time to time.

“Supplemental Ordinance” means any ordinance or ordinances supplemental hereto which authorizes the issuance of any series of obligations of the Borrower other than the 1995 Bond, the 2000 Bond or the 2004 Note.

“System” means the revenue producing public utility system of the Borrower consisting of the Borrower’s sanitary sewer and sewerage collection, treatment and disposal facilities as said system now exists, including the 2004 Project, and as it may be hereafter improved, extended or supplemented while any amounts due under the Borrower Obligations remain outstanding, including specifically all appurtenant equipment, accessories and properties, both personal and real, and all other properties of every nature owned, leased or operated by the Borrower and used or useful in the operation of said sewage 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 Borrower.

SECTION 1.2. Interpretation. In this 2004 Ordinance, unless the context otherwise requires, (a) words importing the singular include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and (c) the title of the offices used in this 2004 Ordinance shall be deemed to include any other title by which such office shall be known under any subsequently adopted charter.

ARTICLE II AUTHORIZATION AND ISSUANCE OF 2004 NOTE

SECTION 2.1. Authorization and Designation. For the purpose financing a portion of the cost of constructing, extending and improving the System (the “2004 Project”) as described in Exhibit C hereto, and reimbursing the Borrower for eligible costs of the 2004 Project advanced pending delivery of the 2004 Note, all 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 not exceeding One Million Five Hundred Thousand Dollars (\$1,500,000) for, on behalf of and in the name of the Borrower, and to represent this indebtedness, this Governing Authority does hereby authorize the issuance of its Sewer Revenue Note, Series 2004 (the “2004 Note”) in a principal amount not exceeding \$1,500,000 on a parity with 1995 Bond and the 2000 Bond.

SECTION 2.2. Denomination, Dates, Maturity and Interest. The 2004 Note shall be issued in the form of a single fully registered Note, dated the date of the Loan Closing, in the denomination and principal amount of not to exceed \$1,500,000. The Department, as the purchaser of the 2004 Note, will pay the purchase price of the 2004 Note to the Borrower in installments. The outstanding principal amount of the 2004 Note shall bear interest from the respective dates of disbursements of proceeds of said 2004 Note or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of three and 45/100 percent (3.45%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30)-day months and payable semi-annually in arrears on each Interest Payment Date on the loan proceeds remaining Outstanding.

During the Interim Loan Period interest shall be payable semiannually in arrears on each interest payment date on the loan proceeds theretofore disbursed hereunder. During the Permanent Loan Period, which will not exceed twenty (20) years from the date of its commencement, principal and interest shall be payable on each Interest Payment Date, with

respect to interest, and on each Principal Payment Date, with respect to principal. Principal payments on the loan shall be due on the Principal Payment Dates in the amounts set forth on Exhibit D hereto. Exhibit D has been prepared assuming that the full Loan Amount will be disbursed. In order to accommodate disbursement of less than the full Loan Amount, the Department and the Borrower agree that Loan proceeds will be allocated as disbursed pro rata to all maturities and consequently, un-disbursed amounts, upon determination and verification of the Permanent Loan Amount, will be deemed to be prepayments of a pro rata portion of all maturities and Exhibit D may be adjusted accordingly.

Promptly after the date of the Final 2004 Loan Installment and verification by the Department of the Permanent 2004 Loan Amount but in no event later than the 180th day succeeding the 2004 Completion Date, the Borrower will execute a certificate setting forth the Permanent 2004 Loan Amount and, upon the execution of said certificate, which must be approved by the Department, the 2004 Note shall be appropriately marked and as so marked shall evidence the Permanent 2004 Loan Amount.

In the event that any installment of principal, interest or Administrative fee shall become past due for a period in excess of fifteen (15) days from the payment date specified herein, in addition to interest continuing to accrue on the principal amount due until the payment thereof, the Borrower shall pay upon demand an amount equal to five percent (5%) of the amount of such past-due installment to defray the expenses of handling the delinquent payment.

The Administrative Fee shall be payable to the Department on each Interest Payment Date. The Borrower's obligation to pay the Administrative Fee shall be terminated upon the sale or other disposition of the 2004 Note by the Department, other than a pledge or assignment of the 2004 Note or the 2004 Loan Agreement, or upon full payment by the Borrower of the 2004 Note and all amounts owed the Department under the 2004 Loan Agreement. In the event that the Administrative Fee is declared illegal or unenforceable by a court or administrative body of competent jurisdiction, the interest rate borne by the 2004 Note shall be increased to the rate of three and 95/100 percent (3.95%) 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 un-enforceability.

Payment of the principal and interest on the 2004 Note and the administrative fee shall be made by immediately available funds or by check of the Paying Agent mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the registration books of the Paying Agent maintained for such purpose, provided that payment of the final installment of principal on the 2004 Note shall be made only upon presentation and surrender of the 2004 Note to the Paying Agent. If the Department is the registered owner, the payment shall be mailed and available to the Department at the following address:

Department of Environmental Quality
Attn: Financial Services – Loans
P.O. Box 4311
Baton Rouge, Louisiana 70821-4311

or such other address as may be designated by the Department, without presentation or surrender of the 2004 Note, except upon final payment.

SECTION 2.3. Execution. The 2004 Note shall be signed by the Executive Officers for and on behalf of, in the name of and under the corporate seal of the Borrower, which signatures and corporate seal may be either manual or facsimile. The 2004 Note and the endorsements to appear thereon shall be in substantially the form attached hereto as Exhibit A.

SECTION 2.4. Registration by Paying Agent. No 2004 Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until a certificate of registration on such 2004 Note substantially in the form set forth in Exhibit A hereto shall have been duly executed by the Paying Agent by manual signature.

SECTION 2.5. Regularity of Proceedings. The Borrower, having investigated the regularity of the proceedings had in connection with the issuance of the 2004 Note, and having determined the same to be regular, the 2004 Note shall contain the following recital, to-wit:

“It is certified that this 2004 Note is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State”

SECTION 2.6. Registration and Exchange of 2004 Note; Persons Treated as Owners. The Borrower shall cause a book for the registration and for the registration of transfers of ownership of 2004 Note to be kept at the principal office of the Paying Agent. The City Clerk of the Borrower is hereby constituted and appointed the Registrar for the 2004 Note. The 2004 Note may be transferred, registered and assigned only on the register of the Paying Agent, and such registration shall be at the expense of the Borrower. The 2004 Note may be assigned by the execution of an assignment form on the 2004 Note or by other instrument of transfer and assignment acceptable in form and with a guaranty of signature satisfactory to the Paying Agent. Such transferred Note shall be presented to the Registrar for the Registrar’s endorsement of registration of the Note in the name of the new owner.

ARTICLE III SECURITY FOR THE 2004 NOTE

SECTION 3.1. Pledge of Revenues. The 2004 Loan and the 2004 Note issued by the Borrower as evidence thereof and to the extent allowed by applicable law, all other sums due pursuant to this 2004 Authorizing Ordinance, including the Administrative Fee, shall be secured and payable solely from an irrevocable pledge of the Revenues on parity with the debt service payments due on the 1995 Bond and the 2000 Bond, subject to the prior payment therefrom or from other lawfully available sources of the reasonable and necessary costs and expenses of operating and maintaining the System. The Revenues are hereby irrevocably pledged to the payment of principal of and interest on the 2004 Note on parity with the 1995 Bond and the 2000 Bond and, to the extent allowed by applicable law, all amounts due and payable under this 2004 Authorizing Ordinance, including but not limited to the Administrative Fee and any other amounts payable to the Department by the Borrower hereunder, subject to the prior payment therefrom of the reasonable and necessary costs and expenses of operating and maintaining the System. The Revenues shall continue to be set aside in a separate and special funds as provided for in the 1995 Resolution and affirmed in the 2000 Resolution and this 2004 Authorizing Ordinance and shall be and remain so pledged for the security and payment of the principal and interest on the Borrower Obligations until the same are paid in full

SECTION 3.2. Rate Covenant. The Borrower, through its Governing Authority, hereby ratifies, confirms and approves in this Ordinance its covenants in the 1995 Resolution and the 2000 Resolution to fix, establish, maintain and collect, so long as the Borrower Obligations are outstanding, such rates, 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 each Fiscal Year sufficient to (i) pay the reasonable and necessary expenses of operating and maintaining the System in each such Fiscal Year, (ii) provide Net Revenues in an amount equal to one hundred twenty-five percent (125%) of the required deposits to the Sinking Fund (hereinafter defined) for the security and payment of the 2004 Note and the Parity Obligations, and the Administrative Fee thereon, if any, on each for such Fiscal Year, (iii) make all other payments required for such Fiscal Year by this 2004 Authorizing Ordinance, the 2004 Loan Agreement and any future resolution or ordinance issuing Additional Parity Obligations, and (iv) pay all other obligations or indebtedness payable out of the Revenues for such Fiscal Year, which rates, however, may be adjusted to the extent that the proceeds of any ad valorem tax and/or sales and use tax may be lawfully authorized and appropriated for such purposes, provided that such tax proceeds, together with the revenues derived or to be derived from the operation of the System, will be sufficient to meet the requirements of this Section. The Borrower further covenants that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

SECTION 3.3. Flow of Funds; Funds and Accounts. As required by the 1995 Resolution and reaffirmed in the 2000 Resolution and as approved, ratified and confirmed in this 2004 Ordinance, all of the income and revenues derived or to be derived by the Borrower from the operation of the System of the Borrower shall be deposited daily as the same may be collected or become available in a separately identifiable fund or account to be established and maintained with the regularly designated fiscal agent bank of the Borrower and designated as the "Sewer Revenue Fund" (the "Revenue Fund"), and the Revenue Fund shall be maintained and administered in the following order of priority and for the following express purposes:

(a) Operation and Maintenance Expenses. The payment of all reasonable and necessary expenses of operating and maintaining the System which are not paid from other lawfully available sources, including without limitation, sales tax and ad valorem tax revenues.

(b) Sinking Fund. As established by the covenants of the 1995 Resolution and confirmed in the 2000 Resolution and this 2004 Ordinance, monies from the Revenue Fund shall be paid into a separate, identifiable fund or account with the regularly designated fiscal agent bank of the Borrower and re-designated as the "Sewer Revenue Bond Sinking Fund" or the "Sinking Fund," by separating physically or through accounting, moneys sufficient in amount to pay promptly and fully the principal, interest and Administrative Fee, if any, on Borrower Obligations, as the same severally become due and payable. The Sinking Fund will be maintained by transferring from the Revenue Fund to the Sinking Fund monthly, in advance, on or before the 20th day of each month any of the Borrower Obligations are outstanding, an amount equal to the principal, interest and Administrative Fee accruing on the Borrower Obligations for such month; together with such additional proportionate sum as may be required to pay said principal, interest and Administrative Fee as the same respectively become due. With respect to the 2004 Note in addition to the transfer of money from the Revenue Fund into the Sinking Fund as required by the 1995 Resolution and confirmed by the 2000 Resolution and this Ordinance, moneys from the Revenue Fund shall be transferred into the Sinking Fund monthly in advance on or before the twentieth (20th) day of each month of each year as follows:

(i) during the Interim 2004 Period an amount equal to interest and Administrative Fee estimated to accrue with respect to the 2004 Note for such calendar months based on the 2004 Estimated Maximum Draw Schedule, and

(ii) during the Permanent 2004 Loan Period, an amount equal to the principal, interest and Administrative Fee accruing with respect to the 2004 Note for such calendar months, together with such additional proportionate sum as may be required to pay such principal, interest and Administrative fee as the same respectively become due.

Money in the Sinking Fund shall be deposited as and constitute trust funds and shall be used solely and are hereby expressly exclusively pledged for the purpose of paying principal of, interest on and Administrative Fee, if any, with respect to the Borrower Obligations.

Said fiscal agent bank shall transfer from the Sinking Fund to the Paying Agent or any other paying agent bank or banks for the Borrower Obligations payable from 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 interest so falling due on such date.

(c) Reserve Fund. The establishment and maintenance of a separately identifiable fund or account with the regularly designated fiscal agent bank of the Borrower, as required by the 1995 Resolution and confirmed by the 2000 Resolution, is hereby ratified and said fund or account is re-designated as the "Revenue Bond Debt Service Reserve Fund" or the "Reserve Fund." Said Reserve Fund shall continue to be funded by separating physically or by accounting and transferring from the Revenue Fund 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 such month, the payments into said Reserve Fund shall continue until such time as there has been accumulated therein a sum equal to the

Reserve Fund Requirement. The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest and Administrative Fee on the 2004 Note, the 2000 Bond and the 1995 Bond payable from the Sinking Fund, including the Administrative Fee, if any, as to which there would otherwise be default. In the event that Additional Parity Obligations are issued hereafter in the manner provided by this 2004 Authorizing Ordinance, the payments into the Reserve Fund shall be increased or otherwise adjusted to the amounts as will assure that there will be accumulated in the Reserve Fund within a period not exceeding five (5) years from the date of the delivery of the Additional Parity Obligations an amount of money equal to the Reserve Fund Requirement.

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

In connection with the issuance of notes or other debt obligations by or on behalf of the Department, or the Department may require if it deems, in its sole discretion, the depository to be un-creditworthy, that the portion of the Reserve Fund attributable to the Note shall be transferred to and maintained in such depository as may be designated by the Department. The Borrower hereby agrees to said transfer.

(d) Renewal and Replacement Fund. As authorized by the 1995 Resolution and the 2000 Resolution, the establishment and maintenance of a separately identifiable fund or account with the regularly designated fiscal agent bank of the borrower is ratified and confirmed by this 2004 Ordinance, and is hereby re-designated the "Sewer System Renewal and Replacement Fund" (the "Renewal and Replacement Fund") to be used for the purchase of extensions, additions, improvements, renewals and replacements necessary to properly operate the System. The Renewal and Replacement Fund shall be maintained by transferring from the Revenue Fund to the Renewal and Replacement 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 of the System 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 Renewal and Replacement Fund shall continue until such time as there has been accumulated in said Fund the sum of _____ Dollars (\$_____), 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 \$_____, in which event such payments shall be resumed and continue until said maximum of \$_____ is again accumulated. In addition to paying for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Renewal and Replacement Fund may also be used to pay the principal of and the interest on the Borrower Obligations and any additional parity obligations issued hereafter in the manner provided by this 2004 Ordinance for the payment of which there is not sufficient money in the Sinking Fund and Reserve Fund described in paragraphs (c) and (d) above. The money in said Renewal and Replacement Fund shall not be used for the making of improvements and extensions to the System (other than emergency repairs or replacements) or for payment of principal or interest on the Borrower Obligations if the use of said money will leave in said Renewal and Replacement Fund less than the sum of _____ Dollars (\$_____).

If at any time there are sufficient moneys on deposit in the Sinking Fund, Reserve Fund and the Renewal and Replacement Fund to retire all outstanding Borrower Obligations payable from the Sinking Fund by exercising the redemption option provided by such 2004 Note, the 2000 Bond and the 1995 Bond or by purchase on the open market, the Borrower may utilize such funds for such purpose.

All moneys in any of the funds created hereunder shall be invested in Government Securities, the principal of and interest on which are payable not later than the dates on which it is estimated that such moneys will be required hereunder. All income derived from such

investments shall be added to the amounts in the respective funds, if required, or to the Reserve Fund, and such investments shall be liquidated to the extent at any time necessary to apply the proceeds thereof to the purpose for which the respective funds have been created.

Government Securities acquired as an investment of moneys in any fund and account created hereunder shall be credited to such fund or account for the purpose of determining the amount in any fund or account at any time in accordance with this provision. All Government Securities credited to such funds or accounts shall be valued at the lesser of amortized cost (exclusive of accrued interest) or fair market value. Any and all funds of the Borrower which may be placed on deposit with any bank in compliance with any provision of this 2004 Ordinance, or any Supplemental Ordinances or of the Prior Bond Resolutions shall be secured by said bank at all times to the full extent thereof by direct obligations of the United States of America or the State having a market value of not less than the amount of money then on deposit.

All moneys remaining in the 2004 Revenue Fund on the 20th day of each month after making the payments described in (a), (b), (c) and (d) above for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Borrower for the purpose of (a) retiring in full the Borrower Obligations in advance of their maturities, either by call for redemption or by purchase of such bonds then outstanding at prices not greater than the redemption prices of said bonds prepaying principal installments in the manner set forth in the 1995 Resolution, the 2000 Resolution and the 2004 Authorizing Ordinance or (b) for any other lawful purpose.

SECTION 3.4. Funds to Constitute Trust Funds. The Sinking Fund and the Reserve Fund provided for in Section 3.3 hereof shall all be and constitute trust funds for the purposes provided in the 1995 Resolution, the 2000 Resolution in this 2004 Ordinance and the owner(s) of the 1995 Bond, the 2000 Bond and the 2004 Note, and said owners are hereby granted a lien on all such Funds until applied in the manner provided herein, in addition to the pledge of Net Revenues of the System herein provided for. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State.

ARTICLE IV
OPTION TO REDEEM THE 2004 Note

SECTION 4.1. Option to Redeem the 2004 Note. The principal installments on the 2004 Note maturing after September 1, 2014, shall be subject to prepayment and redemption at the option of the Borrower in full at any time on or after September 1, 2013, or in part on any Interest Payment Date on or after September 1, 2013, at a price equal to the principal amount of the installments to be prepaid, together with accrued interest and Administrative Fee to the date fixed for prepayment, plus a redemption premium (expressed as a percentage of the principal amount to be prepaid) as follows:

<u>Prepayment Period</u>	<u>Redemption Premium</u>
September 1, 2014 through August 31, 2013	2%
September 1, 2015 through August 31, 2014	1%
September 1, 2015 and thereafter	0%

(a) Mandatory Redemption. The principal installments of the 2004 Note are subject to mandatory redemption in full or in part at a redemption price equal to the principal amount of the installments to be redeemed, together with accrued interest to the date fixed for redemption to the extent that within 60 days following the date that the Borrower receives funds for 2004 Project for which proceeds of the 2004 Note have been expended from (i) the State pursuant to its Capital Outlay Budget or (ii) any state or federal grants, provided further that prepayment of 2004 Note from Borrower's Revenues shall be allocated to all outstanding issues of Borrower Obligations and redeemed on a pro rata basis.

Prepayment shall be applied first to the Administrative Fee, second to accrued interest on the portion of the 2004 Note to be redeemed, then to principal and finally to any redemption premium.

(b) Source of Payment of Obligations. The Department and the Borrower have covenanted and agreed that the amounts payable by the Borrower under the 2004 Loan Agreement, evidenced by the 2004 Note, including, without limitation, the amounts payable by the Borrower pursuant to Article III of this Ordinance are payable solely from the Revenues and the Borrower shall not be obligated to pay such amounts from any other source whatsoever, except other moneys of the Borrower that may be lawfully appropriated and expended for such purposes.

SECTION 4.2. Prepayment of Borrower Obligations. Should prepayment and redemption be in part, principal installments shall be prepaid on a pro rata basis on each issue of Borrower Obligations, rounded to the nearest \$5,000 principal amount, such, that to the extent practicable, the annual debt service payment in principal and interest on each series of Borrower Obligations required to be accumulated in the Sinking Fund established in Section 3.3 shall be approximately equal for each future Fiscal Year.

In the event a portion of the Borrower Obligations are to be prepaid, such Notes shall be surrendered at the principal office of the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the each Note. Official notice of such call of Borrower Obligations 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 nor more than forty-five (45) days prior to the redemption date addressed to the Owner of each Borrower Obligations to be redeemed at his address as shown on the Note Register of the Paying Agent.

SECTION 4.3. Notice of Redemption. Written notice of any prepayment of Borrower Obligations by the Borrower shall be given to the Department or other registered owner by notice deposited in the United States mail, first class postage prepaid, not less than thirty (30) days prior to the prepayment date, which notice must be received by the Department or other registered owner not less than fifteen (15) days prior to the prepayment date, provided however the registered owner may at its sole option waive any such notice. Any notice to the registered owner shall specify the date of prepayment, the principal amount of the Borrower Obligations of each series to be redeemed, and shall contain a computation of the accrued interest and prepayment premium, if any, due in connection therewith.

ARTICLE V PARTICULAR COVENANTS

SECTION 5.1. Application of Proceeds of 2004 Note; Construction Fund. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary to carry out all of the provisions of this 2004 Authorizing Ordinance to cause the necessary 2004 Note to be prepared, to issue, execute, seal and deliver the 2004 Note in an amount not to exceed \$1,500,000, to be paid in installments by the Department in accordance with the terms of this 2004 Ordinance and the 2004 Loan Agreement, and to collect and deposit the disbursements of the purchase price of the 2004 Note from time to time as provided herein and in the 2004 Loan Agreement.

All of the proceeds derived from the sale of the 2004 Note shall be deposited by the Borrower with its fiscal agent bank in a Construction Fund (the "Construction Fund") as a separately identifiable fund or account. The funds in the Construction Fund shall be used solely for the use of constructing and acquiring the 2004 Project and reimbursing the Borrower for the cost of 2004 Project advanced by the Borrower in reliance on such reimbursement, and paying all legal, engineering and other incidental costs and fees incurred in connection therewith and in correction with the authorization and issuance of the 2004 Note, in the manner and subject to the limitations set out in the 2004 Loan Agreement. The issuance of the 2004 Note hereunder, to the aggregate principal amount of not to exceed \$1,500,000, are not required to comply with the parity Note provisions in Section 7.1 hereof but must be in compliance with the user fee rate covenants provided in Section 5.5 hereof.

SECTION 5.2. Payment of 2004 Note. The Borrower shall duly and punctually pay or cause to be paid as herein provided, the principal or prepayment price, if any, of the 2004 Note and the interest thereon, at the dates and in the manner stated in the 2004 Note according to the true intent and meaning thereof.

SECTION 5.3. Tax Covenants. To the extent permitted by the laws of the State, the Borrower will comply with the requirements of the Code to establish, maintain and preserve the exclusion of interest on the 2004 Note from “gross income” under the Code. The Borrower shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the 2004 Note or any other funds of the Borrower to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause the 2004 Note to be an “arbitrage bond” as defined in the Code, or would result in the inclusion of the interest on 2004 Note in “gross income” under the Code, including without limitation, the failure to comply with the limitation on investment of the proceeds of the Note, the failure to pay any required rebate of arbitrage earnings to the United States of America, or the use of the proceeds of the 2004 Note in a manner which would cause the 2004 Note to be a “private activity bond” under the Code. Additional tax covenants related to 2004 Note are set out in the 2004 Loan Agreement.

SECTION 5.4. Designation of the 2004 Note as a “Qualified Tax-Exempt Obligation.” The 2004 Note is designated as a “qualified tax-exempt obligation” within the meaning of Section 265(b)(3) of the Code. In making this designation, the Borrower finds and determines that:

(a) the 2004 Note is not a “private activity bond” within the meaning of the Code; and

(b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Borrower and any subordinate entities in calendar years 2004 and 2005 will not exceed \$10,000,000 in each of said years.

SECTION 5.5. Rates and Charges. Except as provided herein, nothing in this 2004 Authorizing Ordinance or in the 2004 Note shall be construed to prevent the Borrower 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 Revenues, not alone for the payment of the principal of and interest on the Borrower Obligations, but to give assurance and insure that the Revenues shall be sufficient at all times to meet and fulfill the other provisions stated and specified in Section 3.3 of this 2004 Authorizing Ordinance. It is understood and agreed, however, that the Borrower shall fix and maintain and collect rates and charges for the services to be rendered by the System, irrespective of the user thereof, and that no free service shall be furnished to any Person or even to the Borrower itself.

The Borrower agrees that the failure of any person to pay the charges for any service rendered by the System 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 thirty (30) days from the date on which it became delinquent, the Borrower, to the extent allowed by law, will shut off utility services to the affected premises, and that the Borrower 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 sewer 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 the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at the rate of at least 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, pay, as a condition precedent to the resumption of service, a reasonable re-connection charge.

SECTION 5.6. Right to Pledge Revenues; Rank in Lien. In providing for the issuance of the 2004 Note as a Parity Obligation with the 1995 Bond and the 2000 Bond, the Borrower does hereby represent and covenant that it is lawfully seized and possessed of the System, that it has a legal right to pledge the Revenues as herein provided, that the 2004 Note will have a lien and privilege on the Revenues on a parity with the lien and privilege securing the 1995 Bond and the 2000 Bond, subject only to the prior payment of all reasonable and necessary expenses of operation and maintenance of the System, and that the Borrower will at all times maintain the System in first class repair and working order and condition.

SECTION 5.7. Insurance. So long as any of the Borrower Obligations are outstanding and unpaid in principal or interest, the Borrower 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. In case of loss, any insurance money received by the Borrower shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed, or shall be deposited in the Renewal and Replacement Fund to supplement any other amounts required to be paid into said Fund.

SECTION 5.8. Records and Accounts: Audit Reports. As long as the Borrower Obligations are outstanding and unpaid in principal or interest the Borrower shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the System. Not later than three (3) months after the close of each Fiscal Year the Borrower shall cause an audit of such books and accounts to be made by a recognized independent firm of certified public accountants, showing the receipts of and disbursements made for the account of the System. Such audit shall be available for inspection by the Owner(s) of the Borrower Obligations and a copy of such audit shall be furnished to the Department within 180 days of its completion. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(a) A statement in detail of the income and expenditures of the System for such Fiscal Year.

(b) A balance sheet of the System as of the end of such Fiscal Year.

(c) The accountant's comments regarding the manner in which the Borrower has carried out the requirements of this 2004 Authorizing Ordinance, the 2000 Resolution and the 1995 Resolution, and the accountant's recommendations for any changes or improvements in the operation of the System or the method of keeping the records relating thereto.

(d) 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.

(e) The number of customers of the System.

(f) An analysis of additions, replacements and improvements to the physical properties of the System.

(g) An analysis of all funds created pursuant to this 2004 Authorizing Ordinance (less and except the Revenue Fund) and the Loan Agreement, setting forth all deposits and disbursements made during the Fiscal Year as to said funds.

(h) A statement of all schedules of rates in effect during the Fiscal Year, the aggregate dollar amount billed for services rendered during such year and the average monthly billing per user.

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 Borrower further agrees that the Paying Agent and the Owner(s) of the Borrower Obligations 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 Borrower further agrees to furnish to the Paying Agent and to the Owners of the Borrower Obligations, upon request therefor, a monthly statement itemized to show the income and expenses of the operation of the System and the number of connections for the preceding month. The Borrower further agrees that the Paying Agent and the Owner(s) of the Borrower Obligations shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Borrower relating thereto.

SECTION 5.9. Rights of Owners; Appointment of Receiver in Event of Default. The Owner(s) of the Borrower Obligations from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State. Any of the Owner(s) of any of the Borrower Obligations or any trustee acting for such Owner(s) 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, or granted and contained in this 2004 Authorizing Ordinance, and may enforce and compel the performance of all duties required by this 2004 Authorizing Ordinance, or by any applicable statutes to be performed by the Borrower 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 said Owner(s).

In the event that default shall be made in the payment of the interest on or the principal of any of the Borrower Obligations as the same shall become due, or in the making of the payments into the Sinking Fund or Reserve Fund or any other payments required to be made by this 2004 Authorizing Ordinance or the 2004 Loan Agreement, or in the event that the Borrower or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this 2004 Authorizing Ordinance or the 2004 Loan Agreement or shall default in any covenant made herein and therein, and in the further event that any such default shall continue for a period of thirty (30) days after written notice, any Owner or any trustee appointed to represent such 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 Borrower shall exercise all the rights and powers of the Borrower with respect to the System as the Borrower itself might do. Such receiver shall collect and receive all fees, rentals and other revenues, maintain and operate the System in the manner provided in this 2004 Authorizing Ordinance and the 2004 Loan Agreement, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this 2004 Authorizing Ordinance and the 2004 Loan Agreement.

Whenever all the principal that is due upon the Borrower Obligations and interest thereon, and under any covenants of this 2004 Authorizing Ordinance for reserve, sinking or other funds, and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System, shall have been paid and made good, and all defaults under the provisions of this 2004 Authorizing Ordinance shall have been cured and made good, possession of the System shall be surrendered to the borrower upon the entry of an order of the court to that effect. Upon any subsequent default, any one of the Owners of the Borrower Obligations, or any trustee appointed for the Owner(s) 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 Borrower and for the joint protection and benefit of the Borrower and the Owner(s) of the Borrower Obligations. 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 Borrower and Owner(s) and the curing and making good of any default under the provisions of this 2004 Authorizing Ordinance or the 2004 Loan Agreement, and the title to and the ownership of the System shall remain in the Borrower, and no court shall have 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 Borrower and in such manner as the court shall direct. The Owner of the Borrower Obligations in an aggregate principal amount of not less than twenty-five percent (25%) of the principal amount of the outstanding Borrower Obligations may, by a duly executed certificate, appoint a trustee for the Owner with authority to represent such Owner in any legal proceedings for the enforcement and protection of the rights of such Owner. Such certificate shall be executed by such Owner, or by their duly authorized attorneys or representatives, and shall be filed in the office of the City Clerk of the Borrower.

Until an event of default shall have occurred, the Borrower 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 2004 Authorizing Ordinance and the 2004 Loan Agreement, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the System.

Notwithstanding the foregoing, so long as the Department is the Owner of the Borrower Obligations, if the Borrower shall fail to pay when due the principal of or interest on the 2004 Note, the 2000 Bond and the 1995 Bond or any Parity Obligations, and such default shall continue for a period of thirty (30) days, the Department shall have the right to declare the 2004 Note and any Outstanding parity obligations immediately due and payable and such obligations, upon notice to the Borrower, shall become and be immediately due and payable without further notice or demand. In such event there shall be due and payable on the 2004 Note and any Outstanding parity obligations an amount equal to the total principal amount of the 2004 Note and any Outstanding parity obligations outstanding, plus all interest accrued thereon and which will accrue thereon to the date of payment thereof.

At any time after the principal of the 2004 Note and any Outstanding parity obligations shall have been so declared to be due and payable and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this 2004 Authorizing Ordinance, the Department may annul such declaration and its consequences with respect to the Note and any Outstanding parity obligations not then due by its terms. No such annulment shall extend to or affect any subsequent event of default or impair any right of the Department consequent thereto.

SECTION 5.10. Limitations on Sale, Lease or Other Disposition of Property. So long as any of the Borrower Obligations are outstanding and unpaid in principal or interest, the Borrower shall be bound and obligated not to 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 Borrower of property which in its judgment has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System, when other property of equal value or capacity is substituted therefor or the sale price thereof is deposited in the Renewal and Replacement Fund.

SECTION 5.11. Prohibition Against Encumbrances. Except as herein provided in Section 7.1 of this 2004 Authorizing Ordinance, the Borrower hereby covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge whatsoever having priority over or a parity with the lien of the 2004 Note, the 2000 Bond and the 1995 Bond, and the interest and administrative fee thereon upon the Revenues pledged as security therefor in this 2004 Authorizing Ordinance.

SECTION 5.12. Competitive Franchises. So long as any of the Borrower Obligations are Outstanding and unpaid in principal and interest, the Borrower obligates itself not to grant a franchise to any utility for operation within the boundaries of the Borrower 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 Borrower shall maintain its corporate identity and existence as long as any of the Borrower Obligations remain outstanding.

SECTION 5.13. Utility Charges and Connections. Acting in the exercise of its police powers, the Borrower shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land in the Borrower which abuts upon a street or other public way containing a sewer line and upon which lots or parcels a building shall have been constructed for residential, commercial or industrial use, to connect said building with the System and to cease to use any other method for the disposal of sewerage, sewerage waste or other polluting matter which can be handled by the System. All such connections shall be made in accordance with the rules and regulations to be adopted from time to time by this Governing Authority, which rules and regulations may provide for an inspection charge to assure the proper making of such connection.

In addition to all other rights and remedies available to be used for the collection and enforcement of utility charges and for the compelling of the making of sewerage connections as aforesaid, the Borrower shall exercise and enforce promptly and efficiently all rights given it under the laws of the State for the enforcement and collection of such charges, and particularly those rights and remedies given it by the Act and Sub-Part C, Part II, Chapter 9, Title 33 of the Louisiana Revised Statutes of 1950, as amended.

SECTION 5.14. Fidelity Bonds. So long as the 2004 Note and any Parity Obligations are Outstanding and unpaid, the Borrower, 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 Borrower from loss.

SECTION 5.15. Engineer. It is recognized and understood that in purchasing and accepting delivery of the Borrower Obligations, the Department has relied and the subsequent Owner(s) of the Borrower Obligations from time to time will rely, upon representations made by the Borrower that its System will be economically and efficiently operated so that both the Borrower and the Owner(s) of the Borrower Obligations may benefit through the production of maximum Revenues. To this end, the Borrower covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System to make the required monthly payments into the funds established by Section 3.3 hereby, it will retain an Engineer on a continuous basis until all defaults are cured, for the purpose of providing for the Borrower 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 Borrower, with the consent and approval of the Department and any subsequent Owner(s) of any of the Borrower Obligations.

SECTION 5.16. Duties of Engineer in Event of Failure to Make Required Payments. In the event the Borrower is required to engage an Engineer pursuant to Section 5.15, 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 year's business prepared by the Borrower's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding 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 2004 Authorizing Ordinance, the 2004 Loan Agreement 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 Borrower and shall be open to inspection by the Department and any subsequent Owner(s) of the Borrower Obligations. 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 in the Renewal and Replacement Fund, 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 Borrower and the depository for said Renewal and Replacement Fund.

Sixty (60) days before the close of each Fiscal Year, the Engineer shall submit to this Governing Authority a suggested budget for the ensuing Fiscal Year's operation of the System and shall submit recommendations as to the schedule of rates and charges for sewer utility services supplied by the System. A copy of said suggested budget and recommendations shall also be furnished by said Engineer directly to the Owners. 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 Clerk of the Borrower, the manager or superintendent of the System and with the Department.

In the event this Governing Authority shall fail to select and retain a Engineer in accordance with Section 5.15 within thirty (30) days after the occurrence of the conditions prescribed thereby, then upon the petition of the Owner of twenty-five percent (25%) of the aggregate principal amount of the 2004 Note and any Outstanding parity obligations then Outstanding, this Governing Authority shall select and retain such consulting engineer as is named in the petition of said Owner.

THE PROVISIONS OF THIS SECTION SHALL APPLY ONLY DURING ANY PERIOD WHEN THE BORROWER MAY BE IN DEFAULT IN MAKING REQUIRED PAYMENTS INTO THE FUNDS REQUIRED BY SECTION 3.3 HEREOF.

SECTION 5.17. Contract; Modification or Amendment of Ordinance. The provisions of this 2004 Authorizing Ordinance shall constitute a contract between the Borrower and the Owner(s) from time to time of the Borrower Obligations, and the said Owner(s) 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 2004 Note. No material modification or amendment of this 2004 Authorizing 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 2004 Note then outstanding; provided, however, that no such modification or amendment shall permit a sale, lease or encumbrance of the System, or a change in the maturity of 2004 Note or the redemption provisions thereof, or a reduction in the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the unconditional promise of the Borrower to pay the principal of and interest on the 2004 Note as the same shall become due from the Revenues, or change the requirements specified herein for the issuance of Parity Obligations under the provisions of this 2004 Authorizing

Ordinance, the 2000 Resolution or the 1995 Resolution, or reduce the percentage of the Owners of the Bonds required to consent to any material modification or amendment of this 2004 Authorizing Ordinance, without the consent of the Owners of the Bonds.

ARTICLE VI
ADDITIONAL DRAWS ON 1995 BOND AND 2000 BOND

SECTION 6.1. Additional Draw on 1995 Bond. The Executive Officers are hereby authorized to take all actions necessary and incidental to borrowing an additional \$40,000 on the 1995 Bond under authority of the 1995 Bond Resolution.

SECTION 6.2. Additional Draw on 2000 Bond. Subject to approval of the State Bond Commission, the Executive Officers are hereby authorized to take all actions necessary and incidental to borrowing an additional \$1,000,000 on the 2000 Bond under authority of the 2000 Bond Resolution.

ARTICLE VII
PARITY OBLIGATIONS

SECTION 7.1. Issuance of Parity Obligation. The Borrower 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 2004 Note, the 2000 Bond and the 1995 Bond, except under the following conditions:

(a) Refunding or Refinancing. The 2004 Note, the 2000 Bond and the 1995 Bond, 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 or other obligations which are not refunded, if there be any; provided, however that if only a portion of the bonds are so refunded and the refunding bonds or other obligations require total principal and interest payments during any Fiscal Year in excess of the principal and interest which would have been required in such Fiscal Year to pay the bonds or other obligations refunded thereby, then such Bonds 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 of this Section 7.1).

(b) Additional Parity Obligations. Additional Parity Obligations may also be issued on a parity with the 2004 Notes and any other obligations of the Borrower if all of the following conditions are met:

(i) The average annual Net Revenues for the two (2) completed Fiscal Years immediately preceding the issuance of the Additional Parity Obligations must have been not less than one and three-tenths (1.3) times the highest combined scheduled principal and interest requirements for any succeeding Bond Year on all Bonds then outstanding, including any Additional Parity Obligations theretofore issued and then outstanding and any other bonds or obligations whatsoever then outstanding which are payable from the Revenues (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the Additional Parity Obligations so proposed to be issued. In making the calculation required by this subparagraph 2(a), if the Borrower has adopted higher rates for services of the System on or before the date of issuance of the Additional Parity Obligations, the calculation of average annual Net Revenues for the previous two completed Fiscal Years may be made assuming such rates had been in effect during such period.

(ii) The payments required to be made into the various funds provided in Section 3.3 hereof must have been made in full.

(iii) There must be sufficient money in the Reserve Fund to pay all principal, interest and Administrative Fees, if any, on the Bonds and any parity

obligations (other than the proposed Additional Parity Obligations) falling due during the twelve (12) month period succeeding the issuance of the proposed Additional Parity Obligations.

(iv) The existence of the facts required by paragraphs (a), (b) and (c) above must be determined and certified to by an independent firm of certified public accountants who have previously audited the books of the Borrower or by such successors as may have been employed for that purpose.

(v) In making that determination in the event of an adjustment of Net Revenues due to a rate increase as set forth in paragraph (a), there may be a reliance upon the calculation of the adjustment of Net Revenues as a result of increased rates as prepared by a recognized engineer or firm of engineers employed for such purpose. Additional Parity Obligations must be payable as to principal on September 1st of each year in which the principal falls due and payable as to interest on March 1st and September 1st of each year.

(vi) The proceeds of the Additional Parity Obligations must be used for the making of improvements, extensions, renewals, replacements or repairs to the System, or to refund obligations issued for such purposes.

(c) Completion of 2004 Project. The 2004 Note is authorized and directed by the Department, the owner of the 1995 Bond and the 2000 Bond, to be issued on a parity with the 1995 Bond and the 2000 Bond as provided in this 2004 Authorizing Ordinance and in the 2004 Loan Agreement. Section 8.1 of the 2004 Loan Agreement provides and accordingly this 2004 Authorizing Ordinance provides as follows:

Parity Obligations may be issued in the future, if needed, to complete the acquisition and construction of the Project with the consent of the Department, and such Additional Parity Obligations may also be issued in accordance with the provisions of and subject to the terms and conditions imposed by this Authorizing Ordinance and the Loan Agreement.

SECTION 7.2. Junior and Subordinate Lien Obligations. Junior and subordinate lien obligations may be issued by the Borrower at any time without restriction upon written notice thereof to the Department.

ARTICLE VIII

RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION

SECTION 8.1. Borrower's Continuing Disclosure Obligations of 15c2-12(b)(5). The Borrower hereby acknowledges and agrees that even though the borrowings evidenced by the separate emissions of the 2004 Note are exempt from the continuing disclosure requirements of Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule") pursuant to Section (d)(1) and/or other exemptions to the Rule, in the event the Department should transfer the bonds or other obligations and/or the Loan and either or both become a source of repayment of "municipal securities" sold through a "primary offering" (as both terms are defined and used in the Rule), it is possible that the Borrower could constitute an "obligated person" (as defined and used in the Rule). Borrower agrees that if it should ever constitute or be reasonably deemed an "obligated person" within the opinion of counsel experienced in federal securities matters to a "participating underwriter" (as defined and used in the Rule) and/or counsel to the Department in connection with any "primary offering" of "municipal securities" secured by the 2004 Note and/or the Loan, Borrower will comply with all requirements of an "obligated person" or assist the Department in complying with all the requirements of an "Borrower" or "obligated person" under the Rule including without limitation providing to each nationally recognized municipal securities information repository and the state information depository designated by the State, if any, an annual report which complies with the requirements of the Rule and Borrower shall comply with the requirements of the Rule regarding giving notice of the 11 specified events set forth in Section 5(i)(C) (1) through (11) of the Rule.

ARTICLE IX
CONCERNING FIDUCIARIES

SECTION 9.1. Paying Agent. The Borrower will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The initial Paying Agent pursuant to this 2004 Authorizing Ordinance is the Clerk of the Governing Authority. The Governing Authority reserves the right to appoint a successor paying Agent by (1) filing with the person then performing such function a certified copy of a resolution appointing a successor and (2) causing notice to be given to the Owners of the 2004 Note. Every successor Paying Agent shall at all times be a corporation 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. In appointing a successor Paying Agent, this Governing Authority will authorize the Executive Officers to execute an appropriate agreement with the successor paying Agent for and on behalf of the Borrower in such form as may be satisfactory to the Executive officers, setting forth the duties and obligations of the successor Paying Agent.

ARTICLE X
MISCELLANEOUS

SECTION 10.1. Defeasance. Subject to Article IV of this 2000 Authorizing Ordinance, if the Borrower shall pay or cause to be paid the principal and interest and prepayment price, if any, to become due at the times and in the manner stipulated in the 2004 Note and in this 2004 Authorizing Ordinance, then the covenants, agreements and other obligations of the Borrower hereunder shall be discharged and satisfied. In such event, the Paying Agent shall pay over or deliver to the Borrower all moneys, securities and funds held by it pursuant to this 2004 Authorizing Ordinance which are not required for the payment of the 2004 Note not theretofore surrendered for such payment. The 2004 Note or interest installments thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if the 2004 Note are defeased in the manner provided by Chapter 14 of Title 39 of Louisiana Revised Statutes of 1950, as amended, subject to any applicable restrictions contained in the Loan Agreement.

SECTION 10.2. Successors and Assigns. Whenever in this 2004 Authorizing Ordinance the Borrower is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this 2004 Authorizing Ordinance contained by or on behalf of the Borrower shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

SECTION 10.3. Successor Fiscal Agent. In the event the Borrower changes its fiscal agent bank(s), the Borrower shall give the Department written notice of the time, address, location and contact person at any successor fiscal agent bank no later than thirty (30) days subsequent to the effective date of any such change.

SECTION 10.4. Fiscal Agent Bank Notification of Deficiencies. If the 2004 Loan Agreement and the 2004 Note is pledged as security for any debt obligation issued by or on behalf of the Department, the Borrower will furnish to any trustee with respect to the debt obligations issued by or on behalf of the Department, a certificate or written agreement of the Borrower's fiscal agent bank or banks requiring such fiscal agent bank or banks to notify said trustee of any failure by the Borrower to deposit the amounts required to be deposited into the Sinking Fund and Reserve Fund pursuant to Sections 3.3 and 3.4 hereof.

SECTION 10.5. Construction Contract. The Borrower shall enter, with respect to the 2004 Project, into a construction contract or contracts with a licensed contractor or contractors in accordance with the provisions of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, as amended (R.S. 38:2211, *et seq.*).

SECTION 10.6. Payment of Additional Project Costs. In the event that 2004 Loan proceeds are not sufficient to pay the costs of the 2004 Project in full, the Borrower shall

nonetheless complete 2004 Project and pay that portion of the cost as may be in excess of available Loan proceeds and shall not be entitled to any reimbursement therefor from the Department, except for the proceeds of additional financing which may be provided by the Department pursuant to application by the Borrower.

SECTION 10.7. Publication of Ordinance; Preemption. This 2004 Ordinance shall be published one time in the official journal of the Borrower; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication. For thirty (30) days after the date of publication, any person in interest may, subject to the reservation hereinafter contained, contest the legality of this 2004 Authorizing Ordinance, any provisions of the 2004 Note, the provisions herein made for the security and payment of the 2004 Note and the validity of all other provisions and proceedings relating to the authorization and issuance of the 2004 Note. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of this 2004 Authorizing Ordinance, any provisions of the 2004 Note to be issued pursuant hereto, the provisions for the security and payment of the 2004 Note and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the 2004 Note is legal and that every legal requirement for the issuance of the 2004 Note has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.

SECTION 10.8. Execution of Documents. In connection with the issuance of the 2004 Note, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Borrower such documents, certificates and instruments as they may deem necessary to effect the transactions contemplated by this 2004 Authorizing Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 10.9. Loan Agreement. The Governing Authority recognizes that the 2004 Note will be delivered to the Department as evidence of the obligation of the Borrower to repay the loan by the Department to the Borrower from the Fund. In connection with this loan, the Borrower and the Department will enter into the 2004 Loan Agreement in substantially the form attached hereto as Exhibit B. So long as the Department owns the 2004 Note (although such 2004 Note may be pledged or assigned to another), and only as long as the Department owns the 2004 Note, then to the extent that any provision of this 2004 Authorizing Ordinance is inconsistent with or contrary to the 2004 Loan Agreement, the applicable provision of the 2004 Loan Agreement shall control. As provided in the 2004 Loan Agreement, the Borrower shall comply with certain provisions of the 2004 Loan Agreement, as specified therein, regardless of whether or not the Department is the owner of the 2004 Note and regardless of any prepayment or defeasance of the 2004 Note prior to the final stated maturity thereof. The Executive Officers are hereby further authorized and directed to execute on behalf of the Borrower the 2004 Loan Agreement and are hereby further authorized and directed for and on behalf of and in the name of the Borrower to execute and deliver any and all additional instruments, documents and certificates which may be required by or provided for in the 2004 Loan Agreement or requested by the Department or as may otherwise be required for or necessary, convenient or appropriate to the transactions authorized hereby and the 2004 Loan Agreement.

SECTION 10.10. Severability. In case any one or more of the provisions of this 2004 Authorizing Ordinance or of the 2004 Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this 2004 Authorizing Ordinance or of the 2004 Note, but this 2004 Authorizing Ordinance and the 2004 Note shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this 2004 Authorizing Ordinance which validates or makes legal any provision of the 2004 Authorizing Ordinance or the 2004 Note which would not otherwise be valid or legal shall be deemed to apply to this 2004 Authorizing Ordinance and to the 2004 Note.

SECTION 10.11. Recordation. A certified copy of this 2004 Authorizing Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of Acadia.

SECTION 10.12. Effective Date. This Ordinance shall take effect immediately upon its adoption, subject to approval of the State Bond Commission for the issuance of the 2004 Note in an amount not to exceed \$1,500,000 and subject to supplemental approval of the State Bond Commission to issue not to exceed \$3,000,000 with respect to Application No. L95-211B adopted September 16, 1999, and Application No. L99-61 adopted February 18, 1999, thereby making an additional draw in the amount of \$1,000,000 on the 2000 Bond.

SECTION 10.14. Notice of Intent. This Ordinance is an adoption of an official intent of the Borrower toward the issuance of its Revenue Bonds secured by revenues as contemplated in the laws of Louisiana and in the United States Treasury Regulations, Section 1.150-2(e), if applicable.

And the Ordinance was declared adopted on this, the 10th day of February, 2004, and the vote thereon was as follows:

YEAS: James M. Buatt, Tiger Istre, Woody Marceaux, Vernon Martin, Mary T. Melancon, Laurita D. Pete, Steven C. Premeaux and Kitty Valdetero

NAYS: None

ABSENT: Ira Thomas

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

The following Ordinance was offered by Alderman Istre, duly seconded by Alderwoman Melancon, and duly ordained and adopted.

ORDINANCE NO. 1282

AN ORDINANCE TO AMEND AND RE-ENACT PART 12 OF SUBSECTION B OF SECTION 2-4 OF CHAPTER 2 OF ORDINANCE NO. 1270 OF THE CODE OF ORDINANCES OF THE CITY OF CROWLEY TO INCREASE THE SALARY OF THE CITY PROSECUTOR BY TWO HUNDRED FIFTY & NO/100 (\$250.00) DOLLARS PER MONTH; AND TO REPEAL ALL ORDINANCES OR PARTS OF ORDINANCES IN CONTRARY THERETO AND/OR IN CONFLICT THEREWITH; AND TO PROVIDE FOR ALL MATTERS RELATIVE THERETO

WHEREAS, this Ordinance has been duly introduced and notice of this Ordinance and notice of public hearing having been published; and

WHEREAS, a public hearing having been held in accordance with law on the 10th day of February, 2004 at 6:00 o'clock p.m. at City Hall Crowley, Louisiana; and

WHEREAS, the compensation of the City Prosecutor has not been increased for more than fifteen (15) years; and

WHEREAS, it is appropriate to increase the compensation commensurate with comparable positions and it is necessary to amend Section 2-4(b)(12) of the Code of Ordinances of the City of Crowley; and

NOW THEREFORE, BE IT ORDAINED, by the Mayor and Board of Aldermen in regular session duly convened that:

SECTION (12) OF SUBSECTION (b) OF SECTION 2-4 OF CHAPTER 2 OF THE CODE OF ORDINANCES OF THE CITY OF CROWLEY BE AND THE SAME IS HEREBY AMENDED AND RE-ENACTED TO READ AS FOLLOWS:

Section 1:

Sec. 2-4 (b) The following salaries are hereby fixed and established for each office as set forth hereunder, to-wit:

(12) City Prosecutor \$15,823.00

Section 2:

The remaining subsection and parts of Section 2-4 be and they are hereby ratified and affirmed.

Section 3:

This Ordinance shall become effective immediately upon its adoption.

Section 4:

If any provision, part, word, section, subsection, sentence, clause, or phrase of this ordinance should be held invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance and do hereby declare the provisions hereof, to be severable, then in that event, only that particular provision, part, word, section, subsection, sentence, clause or phase shall be deemed unconstitutional or invalid and the remaining provisions, parts, words, sections, subsections, sentences, clauses or phases will not be affected and shall continue in full force and effect.

Section 5:

BE IT FURTHER ORDAINED that all ordinances or parts of ordinances inconsistent with or in conflict herewith be and the same are hereby repealed.

THUS DONE AND ADOPTED on this the 10th day of February, 2004, at Crowley, Acadia Parish, Louisiana, after a roll call vote as follows:

YEAS: James M. Buatt, Tiger Istre, Woody Marceaux, Vernon Martin, Mary T. Melancon, Laurita D. Pete, Steven C. Premeaux and Kitty Valdetero

NAYS: None

ABSENT: Ira Thomas

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

Alderman Martin moved to authorize Mader Engineering to prepare the plans and specs to correct drainage problems on West Andrus. Seconded by Alderwoman Valdetero and duly adopted.

There being no further business to come before the Council upon motion duly made by Alderwoman Valdetero and seconded by Alderman Premeaux the meeting was adjourned at 7:45 p.m.

ISABELLA L. DE LA HOUSSAYE, MAYOR

ATTEST:

JUDY L. ISTRE, CITY CLERK

Presented rough draft to Mayor on February 13, 2004 at 10:10 a.m.

Presented for Mayor's signature on March 3, 2004 at 3:45 p.m.

Mayor Signed & returned to City Clerk March , 2004 at a.m.

**EXHIBIT A
TO ORDINANCE**

(FORM OF NOTE)

**UNITED STATES OF AMERICA
STATE OF LOUISIANA**

**SEWER REVENUE NOTE, SERIES 2004
OF THE
CITY OF CROWLEY, STATE OF LOUISIANA**

NOTE NUMBER	PRINCIPAL AMOUNT	INTEREST RATE	NOTE DATE
R-1	\$1,500,000	3.45%	_____, 2004

The **CITY OF CROWLEY, STATE OF LOUISIANA** (the "Borrower"), for value received, promises to pay to:

**DEPARTMENT OF ENVIRONMENTAL QUALITY
ATTN: FINANCIAL SERVICES – LOANS
P. O. BOX 4311
BATON ROUGE, LA 708821-4311**

or registered assigns, on the dates and in the amounts shown on Schedule B hereto, payable solely from the revenues hereinafter specified, the Principal Amount set forth above (unless a lower Principal Amount applies, as set forth below), together with interest thereon from the Note Date payable semiannually thereafter on September 1 and March 1 of each year, commencing March 1, 2005 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid, plus an Administrative Fee calculated at the annual rate of one-half of one percent (0.5%) of the outstanding Principal Amount payable on each Interest Payment until said Principal Amount is paid, unless this Note shall have been previously called for prepayment and payment shall have been duly made or provided for. In the event that (i) the Note is owned by the Department of Environmental Quality of the State of Louisiana (the "Department") or the Department has pledged or assigned this Note in connection with its Municipal Facilities Revolving Loan Program and (ii) the Administrative Fee (as defined in the Ordinance) payable by the Borrower to the Department is declared illegal or unenforceable by a court or administrative body of competent jurisdiction, the interest rate borne by this Note shall be increased to the rate of three and 95/100 per centum (3.95%) 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 un-enforceability.

The interest on this Note shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. It is understood that the purchase price of this Note shall be paid to the Borrower in installments, and interest on this Note shall accrue only on the amount of the purchase price which shall have been paid to the Borrower. The amount and payment date of each purchase Price installment shall be noted on Schedule A attached hereto. The principal and interest on this Note are payable in lawful money of the United States of America to be transmitted by the Clerk of the Borrower as paying agent of this Note, or successor thereto (the "Paying Agent"), by check mailed by the Paying Agent to the registered owner (determined as of the 15th calendar day of the month next preceding the Interest Payment Date) at the address as shown on the registration books of the Paying Agent. The principal of this Note shall mature in annual installments, payable on each principal payment date in the amounts set forth on Schedule B attached hereto, which Schedule assumes the full \$1,500,000 will be disbursed to the Borrower by the Department as the purchase price of this Note. Should the aggregate purchase price of this Note be less

than \$1,500,000 the principal amount hereof will be reduced accordingly and Schedule B shall be adjusted as provided in the Ordinance (herein defined).

This Note represents the entire issue designated "Sewer Revenue Note, Series 2004," of the City of Crowley, State of Louisiana, authorized to be issued by the Borrower pursuant to Ordinance adopted by the governing authority of the Borrower on February 10, 2004 (the "Ordinance"), for the purpose of constructing extending and improving sewer and sewerage disposal facilities of the Borrower, under the authority conferred by Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority, pursuant to all requirements therein specified.

This Note and the issue of which it forms a part are payable as to both principal, interest and redemption premium, if any, solely from the income and revenues to be derived from the operation of the sewer system of the Borrower (the "System"), on a parity with the debt service payments due on the outstanding principal amount of an issue designated as "Sewer Revenue Bond, Series 1995" issued by the Borrower in the aggregate principal amount of not to exceed \$4,500,000 in accordance with the 1995 Resolution and the 1995 Loan and Pledge Agreement as described in the 1995 Resolution (the "1995 Bond"), and on a parity with the debt service payments due on the outstanding principal amount of an issue designated "Sewer Revenue Bond, Series 2000" issued by the Borrower in the aggregate principal amount of not to exceed \$3,000,000 in accordance with the 2000 Resolution and the 2000 Loan and Pledge Agreement as described in the 2000 Resolution (the "2000 Bond"), after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the System. This Note constitutes a borrowing solely upon the credit of said revenues of the System and does not constitute an indebtedness or pledge of the general credit of the Borrower within the meaning of any constitutional or statutory limitation of indebtedness. The governing authority of the Borrower has covenanted and agreed and does hereby covenant and agree to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities furnished by the System as shall be sufficient to provide for the payment of all reasonable and necessary expenses of operation and maintenance of the System, to provide Net Revenues (as defined in the Ordinance) in an amount equal to one hundred twenty-five percent (125%) of the required deposits to the Sinking Fund (as defined in the Ordinance), and the Borrower has also covenanted and agreed and does hereby covenant and agree to provide for the continuation of a debt service reserve fund and the fund to maintain a reserve to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, which rates may be adjusted to the extent that the proceeds of any ad valorem tax and/or sales and use tax are lawfully applied for such purposes. For a more complete statement of the revenues from which and conditions under which this Note is payable, the general covenants and provisions pursuant to which this Note is issued, and provisions permitting the issuance of parity obligations, as defined in the Ordinance, under certain circumstances, reference is hereby made to the Ordinance.

This Note evidences the Borrower's obligation to repay a loan originally made to the Borrower by the Louisiana Department of Environmental Quality (the "Department") for the purpose described above, pursuant to a Loan and Pledge Agreement dated as of _____, 2004, and is governed in certain respects by the terms of said Agreement.

The principal installments on the 2004 Note maturing after September 1, 2014, shall be subject to prepayment and redemption at the option of the Borrower in full at any time on or after September 1, 2014, or in part on any Interest Payment Date on or after September 1, 2014, at a price equal to the principal amount of the installments to be prepaid, together with accrued interest and Administrative Fee to the date fixed for prepayment, plus a redemption premium (expressed as a percentage of the principal amount to be prepaid) as follows:

<u>Prepayment Period</u>	<u>Redemption Premium</u>
September 1, 2014 through August 31, 2015	2%
September 1, 2015 through August 31, 2016	1%
September 1, 2016 and thereafter	0%

Should the prepayment be in part, principal installments shall be prepaid on a pro rata basis, rounded to the nearest \$5,000 principal amount, such, that to the extent practicable, the total amount of remaining principal and interest falling due in each Fiscal Year shall be approximately equal.

In the event a portion of the Note is to be prepaid, such Note shall be surrendered at the principal office of the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the Note. Official notice of prepayment of all or part of the outstanding principal amount of the Notes 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 the Note at its address as shown on the Note Register of the Paying Agent.

The Borrower shall cause books for the registration and for the registration of transfers of this Note to be kept at the principal office of the Paying Agent and the Paying Agent is hereby constituted and appointed the registrar therefor. This Note may be transferred, registered and assigned only on the register of the Paying Agent, and such registration shall be at the expense of the Borrower. This Note may be assigned by the execution of an assignment form hereon or by other instrument of transfer and assignment acceptable in form and with a guaranty of signature satisfactory to the Paying Agent.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that this Note is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Note necessary to constitute the same legal, binding and valid obligations of the Borrower have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Borrower, including this Note, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that this Note shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof.

IN WITNESS WHEREOF, the Borrower, acting through its governing authority, the Mayor and Board of Aldermen Council of the City of Crowley, State of Louisiana, has caused this Note to be executed in the name of the Borrower by the signatures of its Mayor and Clerk and the Borrower's corporate seal to be impressed hereon.

CITY OF CROWLEY,
STATE OF LOUISIANA

ATTEST:

Isabella L. dela Houssaye, Mayor

Judy Istre, Clerk

(SEAL)

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

This Note is the Note referred to in the within mentioned Ordinance.

Paying Agent

Date of Registration:
_____, 2004

By: _____

Judy Istre, Clerk
City of Crowley, Louisiana

This Note has been registered as to principal and interest in the name of the registered owner hereon on the books of the City of Crowley, as follows:

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Address of Registered Owner</u>	<u>Signature of Registrar</u>
	DEQ	Baton Rouge, LA	

SCHEDULE A
 SCHEDULE OF PURCHASE PRICE PAYMENTS
 SEWER REVENUE NOTE, SERIES 2004
 OF THE CITY OF CROWLEY,
 STATE OF LOUISIANA

	Date of Payment	Amount of Payment	Pursuant to Requisition No.	Cumulative Outstanding Principal Amount
1.	09/01/05			
2.	09/01/06			
3.	09/01/07			
4.	09/01/08			
5.	09/01/09			
6.	09/01/10			
7.	09/01/11			
8.	09/01/12			
9.	09/01/13			
10.	09/01/14			
11.	09/01/15			
12.	09/01/16			
13.	09/01/17			
14.	09/01/18			
15.	09/01/19			
16.	09/01/20			
17.	09/01/21			
18.	09/01/22			
19.	09/01/23			
20.	09/01/24			
21.	09/01/25			
22.	09/01/26			
23.	09/01/27			
24.	09/01/28			
25.	09/01/29			

SCHEDULE B
SCHEDULE OF PRINCIPAL PAYMENTS
SEWER REVENUE NOTE, SERIES 2004
OF THE CITY OF CROWLEY,*
STATE OF LOUISIANA

PRINCIPAL INSTALLMENT DUE DATE	PRINCIPAL INSTALLMENT AMOUNT
September 1, 2005	\$
September 1, 2006	
September 1, 2007	
September 1, 2008	
September 1, 2009	
September 1, 2010	
September 1, 2011	
September 1, 2012	
September 1, 2013	
September 1, 2014	
September 1, 2015	
September 1, 2016	
September 1, 2017	
September 1, 2018	
September 1, 2019	
September 1, 2020	
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
	\$

* Assumes total disbursements of \$1,500,000 and an annual interest rate of _____%, and an annual administrative fee rate of 0.50%, for an aggregate rate of _____% per annum.

LOAN AND PLEDGE AGREEMENT

(This document appears at Tab 3 in the transcript proceedings,
of which this Resolution forms a part.)

2004 PROJECT DESCRIPTION

“2004 Project” means

PRINCIPAL PAYMENT DATES

SCHEDULE OF PRINCIPAL PAYMENTS SEWER REVENUE Note, SERIES 2000 OF THE CITY OF CROWLEY,* STATE OF LOUISIANA	
PRINCIPAL INSTALLMENT DUE DATE	PRINCIPAL INSTALLMENT AMOUNT
September 1, 2005	\$
September 1, 2006	
September 1, 2007	
September 1, 2008	
September 1, 2009	
September 1, 2010	
September 1, 2011	
September 1, 2012	
September 1, 2013	
September 1, 2014	
September 1, 2015	
September 1, 2016	
September 1, 2017	
September 1, 2018	
September 1, 2019	
September 1, 2020	
September 1, 2021	
September 1, 2022	
September 1, 2023	
September 1, 2024	
	\$ 1,500,000

* Assumes total disbursements of \$1,500,000 and an annual interest rate of 3.45% and an annual administrative fee rate of 0.50%, for an aggregate rate of 3.95% per annum.