

**[FORM OF BOND]
INTEREST ON THIS BOND IS NOT EXCLUDED
FROM GROSS INCOME
FOR FEDERAL INCOME TAX PURPOSES AND IS NOT
EXEMPT FROM FEDERAL INCOME TAXATION.**

**UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF ST. CHARLES
TAXABLE LIMITED TAX BOND, SERIES 2017**

**OF THE
PARISH OF ST. CHARLES, STATE OF LOUISIANA**

<u>Bond Number</u>	<u>Bond Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
R-1	_____, 2017	0.45%	\$8,000,000

FOR VALUE RECEIVED, the Parish of St. Charles, State of Louisiana (the "Issuer"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: Department of Environmental Quality
Attn: Financial Services Division, Accounts Receivable
P. O. Box 4311
Baton Rouge, Louisiana 70821-4311

or registered assigns noted on the registration record attached hereto, the Principal Amount set forth above (unless a lower Principal Amount applies, as set forth below), together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, unless this Bond shall have been previously called for prepayment and payment shall have been duly made or provided for.

This Bond shall bear interest, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2017 (each, an "Interest Payment Date"), at the Interest Rate shown above, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on this Bond on any Interest Payment Date shall be payable only on the aggregate outstanding amount of the purchase price which shall have been paid theretofore, as noted on Schedule A hereto, and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

If the Department is the registered owner of this Bond, the Issuer will additionally pay an Administrative Fee to the Department at the annual rate of one-half of one percent (0.50%) on the outstanding principal amount of the Bond, payable on each Interest Payment Date. In the event (i) the Department owns this Bond or the Department has pledged or assigned this Bond in connection with its Clean Water State Revolving Fund Program and (ii) the Administrative Fee payable to the Department is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, then the "Interest Rate" shown above and borne by this Bond shall be increased by one-half of one percent (0.5%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

The Bonds shall mature in twenty (20) installments of principal, payable annually on each March 1, beginning on March 1, 2020, or the first March 1 following the Completion Date, whichever is earlier, and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the principal amount of the Bonds outstanding on the day before the applicable Principal Payment Date:

<u>Year (March 1)</u>	<u>Percentage of Principal</u>	<u>Year (March 1)</u>	<u>Percentage of Principal</u>
1	4.564%	11	9.580%
2	4.827	12	10.696
3	5.120	13	12.090
4	5.448	14	13.884
5	5.817	15	16.275
6	6.235	16	19.624
7	6.712	17	24.647
8	7.264	18	33.019
9	7.907	19	49.764
10	8.667	20	100.000

The principal and interest on this Bond shall be payable by check mailed to the registered owner of this Bond (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent (hereinafter defined) for such purpose, provided that payment of the final installment of principal on this Bond shall be made only upon presentation and surrender of this Bond to the Paying Agent.

The principal installments of this Bond are subject to prepayment at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date. In such case, the remaining principal shall continue to mature in annual installments calculated using the percentages shown above.

In the event a portion of this Bond is to be prepaid, this Bond shall be surrendered to the Chief Financial Officer of the Issuer, as initial Paying Agent for the Bonds (the "Paying Agent"), who shall note the amount of such prepayment in the space provided therefor on the schedule attached to this Bond. Official notice of such call of this Bond for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the registered owner of this Bond to be prepaid at his address as shown on the registration books of the Paying Agent, which notice may be waived by any registered owner. The Issuer shall cause to be kept at the office of the Paying Agent a register in which registration of this Bond and of transfer of this Bond shall be made as provided herein and in the Bond Ordinance (hereinafter defined). This Bond may be transferred, registered and assigned only on such registration records of the Paying Agent, and such registration shall be at the expense of the Issuer.

This Bond represents the entire issue of bonds of the Issuer designated "Taxable Limited Tax Bond, Series 2017" aggregating in principal the sum of Eight Million Dollars (\$8,000,000) (the "Bonds"), having been issued by the Issuer pursuant to an ordinance adopted by its governing authority on April 17, 2017 (the "Bond Ordinance"), for the purpose of acquiring, constructing and improving wastewater facilities and systems in the Parish, including those owned and operated by Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana, and paying the cost of issuance, under the authority conferred by Section 2304, Title 30 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, pursuant to all requirements therein specified.

This Bond is secured by and payable from a pledge and dedication of the avails or proceeds of the Issuer's special two and two-tenths (2.20) mills tax authorized at an election held on May 2, 2015 (such rate being subject to adjustment from time to time due to reassessment), which the Issuer has been authorized to impose and collect in the years 2016 through 2044 (the "Tax"), and limited to the extent such levy would cause the combined millage levied to pay debt service on the Parish's General Obligation Refunding Bonds, Series 2012, and the millage from the Tax to total more than 2.20 mills in such year, adjusted as provided in the Louisiana Constitution. In the Bond Ordinance the Governing Authority has obligated and does hereby obligate itself and its successors in office to continue to impose and collect the Tax annually in each of the years 2017 through 2044, inclusive, and does hereby irrevocably and irrepealably dedicate, appropriate and pledge the revenues derived and to be derived from the levy and collection of the Tax for each of the years 2016 through 2044, inclusive, to the payment of this Bond.

For a complete statement of the provisions for payment of this Bond and the general covenants and provisions governing the issuance of this Bond, reference is hereby made to the Bond Ordinance.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. 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 Bond necessary to constitute the same a legal, binding and valid obligation of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that this Bond shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof.

IN WITNESS WHEREOF, the Governing Authority of the Issuer, has caused this Bond to be signed by the Parish President and attested by its Council Secretary of the St. Charles Parish Council, the corporate seal of the Issuer to be hereon impressed and this Bond to be dated as of the Dated Date set forth above.

PARISH OF ST. CHARLES, STATE OF
LOUISIANA

By: _____
Parish President

ATTEST:

By: _____
Council Secretary

(SEAL)

* * * *

**REGISTRATION RECORD
TAXABLE LIMITED TAX BOND, SERIES 2017
OF THE
PARISH OF ST. CHARLES, STATE OF LOUISIANA**

Name and Address Of Registered Owner	Date of Registration	Signature of Chief Financial Officer As Paying Agent
Department of Environmental Quality Clean Water State Revolving Fund P.O. Box 4311 Baton Rouge, La. 70821-4311		

**SCHEDULE OF PREPAYMENTS
TAXABLE LIMITED TAX BOND, SERIES 2017
OF THE
PARISH OF ST. CHARLES, STATE OF LOUISIANA**

Prepayment Date	Prepayment Amount	Remaining Balance Due

**SCHEDULE A
 SCHEDULE OF PURCHASE PRICE PAYMENTS
 TAXABLE LIMITED TAX BOND, SERIES 2017
 OF THE
 PARISH OF ST. CHARLES, STATE OF LOUISIANA**

No.	Date of Payment	Amount of Payment	Pursuant to Requisition No.	Cumulative Outstanding Principal Amount
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

CLEAN WATER
STATE REVOLVING FUND
LOAN AND PLEDGE AGREEMENT

dated as of June 1, 2017

by and between

Louisiana Department of Environmental Quality

and the

Parish of St. Charles, State of Louisiana

relating to the issuance of:

not exceeding \$8,000,000
Taxable Limited Tax Bond, Series 2017
of the
Parish of St. Charles, State of Louisiana

Loan No. CS221140-02

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LOAN AND PLEDGE AGREEMENT

This **LOAN AND PLEDGE AGREEMENT**, which shall be dated for convenience as of June 1, 2017, by and between:

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY (the "Department"), an executive department and agency of the State of Louisiana, whose mailing address is P.O. Box 4303, Baton Rouge, La. 70821-4303, attn: Clean Water State Revolving Fund, appearing herein through Karyn Andrews, Undersecretary, duly authorized hereunto pursuant to an executive order of the Secretary of the Department dated February 26, 2016, and

THE PARISH OF ST. CHARLES, STATE OF LOUISIANA (the "Parish"), a political subdivision of the State of Louisiana, whose mailing address is P.O. Box 302, Hahnville, Louisiana 70057, appearing herein through Larry Cochran, its Parish President, and Tiffany Clark, its Council Secretary, both duly authorized hereunto pursuant to an ordinance adopted by the governing authority of the Parish on April 17, 2017,

WITNESSETH:

WHEREAS, the United States of America, pursuant to the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code (the "Federal Act"), is authorized to make capitalization grants to states to be used for the purpose of establishing a water pollution control revolving fund for providing assistance (i) for construction of treatment works (as defined in Section 1292 of the Federal Act) which are publicly owned, (ii) for implementing a management program under Section 1329 of the Federal Act and (iii) for developing and implementing a conservation and management plan under Section 1330 of the Federal Act; and

WHEREAS, in order to be eligible to receive such capitalization grants, a state must first establish a water pollution control revolving loan fund to be administered by an instrumentality of the state with such powers and limitations as may be required to operate such fund in accordance with the requirements and objectives of the Federal Act; and

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

WHEREAS, the Parish has made application to the Department for a loan from the State Revolving Fund to finance a portion of the costs of acquiring and constructing additions, extensions and improvements to its sewerage system, as are generally described in Exhibit A hereto (the "Project"); and

WHEREAS, the Department has approved the Parish's application for a loan from the State Revolving Fund to finance the costs of the Project; and

WHEREAS, in accordance with Section 1383(g) of the Federal Act, the Department has established a priority list under Section 1296 of Title 33 of the United States Code, and the Project is on such list; and

WHEREAS, the Parish, by ordinance of its governing authority adopted on April 17, 2017, has authorized the incurring of debt and the issuance of its Taxable Limited Tax Bond, Series 2017 in an amount not to exceed \$8,000,000 (the "Bonds"), for the purpose of paying costs of the Project, which Bonds are proposed to be purchased by the Department using available moneys in the State Revolving Fund;

NOW, THEREFORE, the Department and the Parish each agree to perform their respective obligations under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and in the exhibits attached hereto and made a part hereof as follows:

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ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.01. Definitions. The following terms used in this Loan Agreement shall have the following meanings, unless the context clearly requires otherwise:

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

"Authorized Officer" means the officer or officers of the Parish who have executed this Loan Agreement, or their successors in office, 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 Parish to perform any act or execute any document relating to the Loan, the Bonds or this Loan Agreement.

"Authorizing Ordinance" means the ordinance adopted by the governing authority of the Parish authorizing the issuance of the Bonds and authorizing the sale of the Bonds to the Department, as it may be supplemented, modified or amended from time to time in accordance with its terms.

"Bonds" means the Parish's Taxable Limited Tax Bond, Series 2017, in an amount not to exceed Eight Million Dollars (\$8,000,000), which indebtedness is being issued by the Parish pursuant to the Authorizing Ordinance for the purpose of paying Costs of the Project, sold to the Department and purchased by the Department from moneys in the State Revolving Fund.

"Code" means 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.

"Commitment Agreement" means Commitment Agreement entered into between the Department and the Parish in connection with the Loan, including the exhibits attached thereto, as it may be supplemented, modified or amended from time to time in accordance with the terms thereof.

"Completion Date" means the earlier of (i) the date of the final disbursement of the purchase price of the Bonds to the Parish, or (ii) the date that operation of the Project is initiated or capable of being initiated, as certified by an Authorized Officer in accordance with Section 6.07.

"Construction Fund" means the fund or account to be established in accordance with the Parish's customary accounting practices, into which each installment of the purchase price of the Bonds is to be deposited, and from which Costs of the Project will be disbursed by the Parish.

"Costs of the Project" means, with reference to the Project, all capital costs incurred or to be incurred for the Project, including but not limited to (a) engineering, financing, legal and other fees and expenses related to the engineering and design of the Project and related to the issuance of the Bonds, (b) acquisition and construction costs of the Project, (c) interest on the Bonds during construction, if specifically approved by the Department, and (d) a reasonable allowance for contingencies, all to the extent permitted by the Federal Act, the State Act and any rules or regulations promulgated thereunder.

"Debt Service Fund" means the fund or account to be established or maintained in accordance with the Parish's customary accounting practices, into which the Parish will periodically deposit funds for the payment of principal, Administrative Fee and interest on the Bonds, in the manner set forth in the Authorizing Ordinance.

"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 Bonds.

"Delivery Date" means the date on which the Bonds are delivered to the Department and the first installment of the purchase price therefor is paid by the Department to the Parish.

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

"District" means Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana.

"Engineer" means a consulting engineer or firm of consulting engineers registered and licensed by the Louisiana Professional Engineering and Land Surveying Board, or its successor in function, as a professional engineer and selected by the Parish for the purpose of providing engineering services with respect to the Project. If the Parish employs a qualified in-house engineer, then such personnel may be the Engineer hereunder with the approval of the Department.

"EPA" means the United States Environmental Protection Agency or any successor entity which may succeed to the administration of the programs established by the Federal Act.

"Event of Default" means any occurrence or event specified in Section 0.

"Federal Act" means the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code, and other statutory and regulatory authority amendatory or supplemental thereto.

"Fiscal Year" means the Parish's one-year accounting period determined from time to time by the Governing Authority as the fiscal year of the Parish.

"Funds and Accounts" collectively means the Construction Fund and the Debt Service Fund.

"Governing Authority" means the Parish Council of the Parish or its successor in function.

"Interest Payment Date" means each date on which interest on the Bonds is payable, the first of which shall occur not more than six (6) months after the delivery of the Bonds to the Department and which shall occur semi-annually thereafter until the Bonds are paid in full, as determined by mutual agreement of the Parish and the Department on the date of delivery of the Bonds and designated in the Bonds.

"Loan" means the loan made by the Department from the State Revolving Fund to the Parish pursuant to this Loan Agreement, the obligation to repay which Loan is evidenced by the Bonds.

"Loan Agreement" means this Loan and Pledge Agreement, including the exhibits attached hereto, as it may be supplemented, modified or amended from time to time in accordance with the terms hereof.

"Loan Amount" means the maximum amount that the Department has agreed to loan the Parish, being the authorized principal amount of the Bonds.

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

- (a) Bonds that have been cancelled or delivered to the Paying Agent for cancellation;
- (b) Bonds that have been defeased in accordance with Section 4.02;
- (c) Bonds in exchange for or *in lieu* of which other Bonds have been registered and delivered pursuant to the Authorizing Ordinance; or
- (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in the Authorizing Ordinance or by law.

"Parish" means the Parish of St. Charles, State of Louisiana, a political subdivision of the State of Louisiana, and its successors or assigns.

"Parity Obligations" means additional *pari passu* indebtedness, if any, issued by the Parish and payable from the same source of revenues on a parity with the Bonds in the manner set forth in the Authorizing Ordinance.

"Paying Agent" means the person designated as paying agent and registrar in the Authorizing Ordinance, unless and until a successor Paying Agent shall have assumed such responsibilities pursuant to the applicable provisions of the Authorizing Ordinance and thereafter "Paying Agent" shall mean such successor Paying Agent.

"Plans and Specifications" means the drawings, elevations, shop drawings and accompanying specifications for work prepared by the Engineer for the Parish relating to the Project or any portion thereof.

"Principal Payment Date" means each annual principal payment date on the Bonds, which dates are set forth in the Authorizing Ordinance, the first of which shall occur no later than one (1) year after the Completion Date and the last of which shall occur no later than twenty (20) years after the Completion Date.

"Project" means the acquisition, construction and improvement of wastewater facilities and systems in the Parish, including those owned and operated by Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana, as generally described in Exhibit A hereto, which are being financed through the issuance of the Bonds.

"Regulations" means the regulations of the Department adopted pursuant to and in furtherance of the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, and the State Act, as such may be amended from time to time, including, without limitation Title 33, Part IX, Chapter 21 of the Louisiana Administrative Code (L.A.C. 33:IX.2101, *et seq.*).

"Reserve Fund" means the fund or account to be established or maintained in accordance with the Parish's customary accounting practices, into which there shall be deposited from available funds of the Parish, in the manner set forth in the Authorizing Ordinance (but not from the proceeds of the Loan unless specifically approved by the Department), a sum equal to the Reserve Fund Requirement, as defined in the Authorizing Ordinance.

"Scheduled Completion Date" means the date presently estimated by the Parish and the Engineer to be the Completion Date, which shall be set forth in a closing certification of the Parish delivered to the Department on the Delivery Date.

"State" means the State of Louisiana.

"State Act" means La. R.S. 30:2301, *et seq.* and other constitutional and statutory authority supplemental thereto.

"State Revolving Fund" means the Clean Water State Revolving Fund administered, operated and maintained by the Department pursuant to the Federal Act and the State Act.

"System" means the revenue-producing wastewater collection, treatment and disposal system of Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana, as said system now exists, and as it may be hereafter improved, extended or supplemented while any of the Bonds remain outstanding, as more fully described in the Authorizing Ordinance.

"Tax" means a two and two-tenths (2.20) mills tax authorized at an election held on May 2, 2015 (such rate being subject to adjustment from time to time due to reassessment), which the Parish is authorized to impose and collect in the years 2015 through 2044, and limited to the extent such levy would cause the combined millage levied to pay debt service on the Parish's General Obligation Refunding Bonds, Series 2012, and the millage from the Tax, to total more than 2.20 mills in such year, adjusted as provided in the Louisiana Constitution.

"User Fees" means charges or fees levied on users of the System for the cost of operation, maintenance and replacement of the System, for the repayment of debt incurred with respect to the System and for such other purposes as may be determined by the Governing Authority from time to time.

SECTION 1.02. Rules of Interpretation(a) Unless the context clearly indicates to the contrary, the following rules shall apply to the interpretation and construction of this Loan Agreement:

- (1) words importing the singular number shall include the plural number and *vice versa*;
 - (2) all references to particular articles or sections herein are references to articles or sections of this Loan Agreement;
 - (3) the captions and headings herein are solely for convenience of reference and shall not constitute a part of this Loan Agreement, nor shall they affect its meaning, construction or effect;
 - (4) the terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms as used in this Loan Agreement refer to the Loan Agreement in its entirety and not the particular article or section of this Loan Agreement in which they appear; and
 - (5) the term "hereafter" means after the date of execution of this Loan Agreement and the term "heretofore" means before the date of the execution of this Loan Agreement.
- (b) In the event that any provisions of the Authorizing Ordinance conflict with any provision of this Loan Agreement, then the provisions of this Loan Agreement shall control.

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ARTICLE II

REPRESENTATIONS OF THE DEPARTMENT

SECTION 2.01. Representations of the Department. The Department represents and covenants as follows:

(a) The Department is authorized by the State Act to administer, operate and maintain the State Revolving Fund in full compliance with the Federal Act, as amended, and the requirements of the EPA promulgated thereunder.

(b) The Department has complied with the provisions of the Federal Act and the State Act and all regulations thereunder with respect to the State Revolving Fund and has full power and authority to execute and deliver this Loan Agreement and to consummate the transactions contemplated hereby and perform its obligations hereunder.

(c) The Department, by executive order of its Secretary, being the chief executive officer thereof, has authorized the execution, delivery and due performance of this Loan Agreement and the taking of any and all actions as may be required on the part of the Department to carry out, give effect to and consummate the transactions contemplated hereby and all approvals necessary in connection with the foregoing.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the Department or to the best knowledge of the Department is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or which in any way would adversely affect the validity of this Loan Agreement or any agreement or instrument to which the Department is a party and which is used or contemplated for use in consummation of the transactions contemplated hereby.

(e) The execution and delivery by the Department of this Loan Agreement and the consummation of the transactions contemplated hereby will not violate any indenture, mortgage, deed of trust, note, loan agreement, or other contract or instrument to which the Department is a party or by which it is bound, and to the best of the Department's knowledge any judgment, decree, order, statute, rule or regulation applicable to the Department and all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required for the consummation of the transactions contemplated hereby have been obtained.

(f) The Department has determined that the Project, subject to final review of the Plans and Specifications, is eligible for financial assistance from the State Revolving Fund, and the Project is listed on the State's priority list as required by Section 1383(g) of the Federal Act.

SECTION 2.02. Representations of the Parish and the District. The Parish represents and covenants for itself and the District as follows:

(a) The Parish and the District are political subdivision of the State and have full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate and maintain the System, to carry on their activities relating thereto, to execute and deliver this Loan Agreement, to execute, issue and deliver the Bonds, to pledge the tax revenues necessary to secure the payment of the Bonds, to undertake and complete the Project and to carry out and consummate all transactions contemplated by this Loan Agreement.

(b) The proceedings of the Governing Authority approving this Loan Agreement and the Bonds and authorizing their execution, issuance and delivery by the Parish and authorizing the Parish and the District to undertake and complete the Project, including, without limitation the Authorizing Ordinance, have been duly and lawfully adopted in accordance with the laws of the State, including the Open Meetings Law (R.S. 42:11, *et seq.*).

(c) The Authorizing Ordinance was duly adopted by the Governing Authority and was published in the official journal of the Parish no less than 30 days prior to the delivery date of the Bonds, and the *Procès Verbal* relating to the election authorizing the Tax was published in the official journal of the Parish no less than 60 days prior to the delivery date of the Bonds and since the said publication no actions or proceedings have been filed or threatened contesting the legality of the election, the Authorizing Ordinance, the Tax, the Bonds or any provision for payment of the Bonds.

(d) This Loan Agreement and the Bonds have been duly authorized and have been or will be duly executed and delivered by the Authorized Officer, and assuming that the Department has all the requisite power and authority to authorize, execute and deliver and has duly authorized, executed and delivered this Loan Agreement, this Loan Agreement and the Bonds will constitute the legal, valid and binding obligations of the Parish, enforceable in accordance with their respective terms.

(e) To the best of the Parish's knowledge, there is no fact that the Parish or the District have not disclosed to the Department in writing on the Parish's application for the Loan or otherwise that materially adversely affects the properties, activities, prospects or condition (financial or otherwise) of the Parish or the System or the ability of the Parish to make all Loan repayments and otherwise to observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Bonds.

(f) To the best of the Parish's knowledge, the authorization, execution and delivery of this Loan Agreement and the Bonds by the Parish, the observance and performance by the Parish of its duties, covenants, obligations and agreements thereunder and under the Authorizing Ordinance and the consummation of the transactions provided for in this Loan Agreement, the Authorizing Ordinance and the Bonds, the compliance by the Parish with the provisions of this Loan Agreement, the Authorizing Ordinance and the Bonds and the undertaking and completion of the Project will not result in any breach of any of the terms, conditions or provisions of or constitute a default under or result in the creation or imposition of any lien, charge or other encumbrance upon any property or assets of the Parish pursuant to any ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement or other instrument (other than the lien and charge of the Authorizing Ordinance and the Bonds and any ordinance, resolution or indenture which authorized outstanding debt obligations to which the Parish is a party or by which the Parish, the System or any of its property or assets may be bound), nor will such action result in any violation of the provisions of any laws, ordinances, resolutions, governmental rules, regulations or court orders to which the Parish, the System or its properties or operations are subject.

(g) There are no proceedings pending, or to the knowledge of the Parish threatened, against or affecting the Parish or the District in any court or before any governmental authority or arbitration board or tribunal that have not been disclosed in writing to the Department in the Parish's application for the Loan or otherwise that, if adversely determined, would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Parish, the District or the System or the ability of the Parish to make all Loan repayments and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Bonds.

(h) To the best of the Parish's knowledge, no event has occurred and no condition exists that, upon authorization, execution and delivery of this Loan Agreement and the Bonds or receipt of the amount of the Loan, or upon the happening of any such event and the giving of notice and/or the passage of time, would constitute an Event of Default hereunder or under the Authorizing Ordinance. Neither the Parish nor the District is in violation of or has received notice of any claimed violation of any term of any agreement or other instrument to which it is a party or by which it or the System or its properties may be bound, which violation would materially adversely affect the properties, activities, prospects or condition (financial or otherwise) of the Parish, the District or the System or the ability of the Parish to make all Loan repayments or otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement, the Authorizing Ordinance and the Bonds.

(i) The Parish and the District have obtained all permits and approvals required to date by any governmental body or officer (and reasonably expects to receive all permits required in the future by any governmental agency) for the making, observance and performance by the Parish of its duties, covenants, obligations and agreements under this Loan Agreement and the Bonds or for the undertaking or completion of the Project and the financing or refinancing thereof and the Parish and the District have complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the making, observance and performance by the Parish or the District of its duties, covenants, obligations and agreements under this Loan Agreement and the Bonds or with the undertaking or completion of the Project and the financing or refinancing

thereof. No consent, approval or authorization of, or filing, registration or qualification with any governmental body or officer that has not been obtained is required on the part of the Parish or the District as a condition to the authorization, execution and delivery of this Loan Agreement and the Bonds, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(j) The Parish and the District are in compliance with all laws, resolutions, ordinances, governmental rules and regulations to which either of them is subject, the failure to comply with which would materially adversely affect the ability of the Parish or the District to conduct its activities or undertake or complete the Project, or the condition (financial or otherwise) of the Parish, the District or the System; and the Parish and the District have obtained or will obtain all licenses, permits, franchises or other governmental authorizations presently necessary for the ownership of its property or for the conduct of its activities which, if not obtained, would materially adversely affect the ability of the Parish or the District to conduct its activities or undertake or complete the Project or the condition (financial or otherwise) of the Parish, the District or the System.

SECTION 2.03. Particular Covenants of the Parish. The Parish further covenants and agrees for the benefit of the Department as follows:

(a) The Parish agrees that the estimated Costs of the Project, as listed in Exhibit C hereto and made a part hereof, is a reasonable and accurate estimation as of the date hereof, and upon direction of the Department will supply the same with a certificate from its Engineer stating that such estimated cost is a reasonable and accurate estimation. With the approval of the State Revolving Fund Engineering Manager, the Parish and the Department may mutually agree to change the allocation and categories shown in said Exhibit C without the necessity of amending the Loan Agreement.

(b) The Parish will promptly notify the Department of any material adverse change in the activities, prospects or condition (financial or otherwise) of the Parish relating to the System or to the ability of the Parish to make all or any Loan repayments, provide for the payment of Administrative Fees and otherwise observe and perform its duties, covenants, obligations and agreements under this Loan Agreement and the Bonds.

SECTION 2.04. Tax-Exempt Status of Department Bonds. In the event any tax-exempt debt obligations are issued by or on behalf of the Department, the proceeds of which (or any portion of the proceeds of which) are loaned to the Parish for the purpose of funding the Loan (the "Leveraging Bonds"), then the Parish will not take any action or fail to take any action that could cause the Leveraging Bonds to be "arbitrage bonds" or "private activity bonds" under the Code. The Department shall notify the Parish in writing prior to the use of any Leveraging Bond proceeds to fund any portion of the Loan.

The Parish shall not purchase, pursuant to any arrangement, formal or informal, any debt obligations issued by or on behalf of the Department in an amount related to the amount of the Loan.

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ARTICLE III

LOAN TO PARISH; ISSUANCE OF BONDS

SECTION 3.01. Terms of the Loan. The Department hereby agrees to reserve in the State Revolving Fund a sum equal to the Loan Amount from the sums available to the Department or to be received by the Department to be deposited in the State Revolving Fund. The Department further agrees that it will effect the Loan by purchasing the Bonds from the Parish and paying the purchase price thereof in installments pursuant to this Loan Agreement and the Authorizing Ordinance in accordance with Sections 0 and 7.02.

The Parish will apply the proceeds of the Loan to finance the Costs of the Project, and where applicable, to reimburse the Parish, the District or any lender for such portion of the Costs of the Project that was paid or incurred by the Parish or the District or for payment of the cost of which sums were borrowed on an interim basis in anticipation of reimbursement by the Department.

Notwithstanding the foregoing, (i) the Department shall be under no obligation to continue to make disbursements after an Event of Default has occurred and is continuing under the Authorizing Ordinance or this Loan Agreement; and (ii) the Department shall not be obligated to make or continue to make disbursements if funds are not legally available to the Department in the State Revolving Fund to make the Loan or make disbursements pursuant to the Loan. The Parish shall use the proceeds of the Loan strictly in accordance with the terms of the Authorizing Ordinance and this Loan Agreement.

SECTION 3.02. Issuance of Bonds. As evidence of its obligation to repay the principal and interest of the Loan, and to pay the Administrative Fee, the Parish contemporaneously herewith has issued and delivered the Bonds to the Department, which Bonds are payable in the manner and from the sources set forth in the Authorizing Ordinance.

SECTION 3.03. Delivery of Documents. On the Delivery Date the Parish will cause to be delivered to the Department each of the following items:

- (a) the executed opinions of counsel to the Parish in such form and containing such conclusions as may be reasonably required by the Department, addressed to the Department and the Parish;
- (b) a certificate or certificates, satisfactory in form and substance to the Department, from an authorized officer of the Parish, dated the Delivery Date, to the effect that:
 - (i) each of the representations of the Parish set forth herein and in the Commitment Agreement is true, accurate and complete in all material respects as of the Delivery Date, and each of the agreements of the Parish set forth in the Loan Agreement to be complied with at or prior to the Delivery Date has been complied with as of such date;
 - (ii) no litigation is pending, or to the knowledge of the authorized officer is threatened, to restrain or enjoin the issuance, execution, sale or delivery of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds, the Loan Agreement, the Authorizing Ordinance or the creation, existence or powers of the Parish or the title of the present officers of the Parish, or any of them, to the respective offices and that none of the proceedings or authority for the issuance of the Bonds have been repealed, revoked or rescinded; and
 - (iii) the Bonds have been duly authorized, executed and delivered by the Parish, constitute valid and legally binding obligations of the Parish and are entitled to the security of and are secured by the Authorizing Ordinance which, together with the Loan Agreement have been duly authorized, executed and delivered by the Parish;
- (c) a tax compliance or use of proceeds certificate executed by a duly authorized officer of the Parish in form and substance satisfactory to the Department and an opinion of bond counsel acceptable to the Department;
- (d) executed originals of the Bonds and the Loan Agreement and a certified copy of the Authorizing Ordinance;

(e) executed originals of a Site Certificate, an Engineer's Certificate and a Certification Regarding Cross-Cutting Federal Authorities, in substantially the forms attached to the Commitment Agreement; and

(f) such additional certificates, instruments and other documents, dated as of the Delivery Date or before, as the Department or its counsel reasonably require to evidence the truth and accuracy as of the Delivery Date of the representations of the Parish herein contained and contained in the Loan Agreement and the due performance and satisfaction by the Parish at or prior to such time of all agreements to be performed and all conditions then to be satisfied by the Parish.

SECTION 3.04. Interest and Principal Payments. The Bonds shall be payable as set forth in the Authorizing Ordinance and as follows:

(a) Interest shall be payable semiannually in arrears on each Interest Payment Date based on the amount of the Loan theretofore paid by the Department to the Parish and not yet repaid; and

(b) Principal shall be payable annually on each Principal Payment Date in the amounts set forth on Exhibit B hereto. The payment schedule shown as Exhibit B may be adjusted under certain circumstances in the manner set forth in the Authorizing Ordinance.

Promptly after the payment of the final installment of the purchase price of the Bonds, the completion certificate required by Section 6.07 shall be attached to and made a part of the Bonds.

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 Parish 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.

SECTION 3.05. Prepayment of Bonds. The Department acknowledges that the Bonds are subject to prepayment at the times and in the manner set forth in the Bonds and in the Authorizing Ordinance. In addition to the principal and interest on such prepayment date, the Parish shall pay to the Department the amount of the Administrative Fee that has accrued on the amount prepaid from the most recent date on which any Administrative Fee was paid.

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

SECTION 3.06. Administrative Fee. The Administrative Fee shall be payable to the Department on each Interest Payment Date. The Parish's obligation to pay the Administrative Fee shall be terminated upon the sale or other disposition of the Bonds by the Department, other than a pledge or assignment of the Bonds or this Loan Agreement pursuant to Section 0, or upon full payment by the Parish of the Bonds and all amounts owed the Department under this 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 Bonds shall be increased by one half of one percent (0.50%) *per annum*, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

SECTION 3.07. Manner of Repayment. Payment of the principal, interest and Administrative Fee, shall be made by immediately available funds or mailed and/or made available to the Department no later than the applicable payment date at the following address:

Department of Environmental Quality
Attn: Financial Services Division, Accounts Receivable
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 Bonds, except upon final payment. If acceptable to the Department, the Parish may make arrangements to make such payments by wire transfer of immediately available funds.

Payments with respect to the Bonds shall be applied first to the interest due to the date of payment, next to principal and thereafter to the Administrative Fees and other amounts payable on the Loan and the payment of principal and interest shall be recorded on a payment record to be kept and maintained by the Department.

SECTION 3.08. Disclaimer of Warranties and Indemnification. The Parish acknowledges and agrees that:

(a) the Department and the State make no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the System, the Project or any portions thereof or the Plans and Specifications or any other warranty or representation with respect thereto;

(b) in no event shall the Department or the State be liable or responsible for any direct, incidental, indirect, special or consequential damages in connection with or arising out of this Loan Agreement or the Project or the existence, furnishings, functioning or use of the System or the Project or any item or products or services provided for in this Loan Agreement, including the Plans and Specifications; and

(c) to the extent authorized by law, the Parish hereby indemnifies, saves and holds harmless the Department and the State against any and all claims, damages, liability and court awards, including costs, expenses and attorney fees, incurred as a result of any act or omission by the Parish, or its employees, agents or subcontractors pursuant to the terms of this Loan Agreement, including but not limited to failure of the Department to note any defect in materials or workmanship or of physical conditions or failure to comply with any plans, specifications, drawings, ordinances, statutes or other requirements of a governmental authority, or to call to the attention of any person whatsoever, or take any action, or to demand that any action be taken, with regard to any such defect or failure or lack of compliance.

SECTION 3.09. Registration. The Parish agrees to initially prepare, keep, and maintain books and records reflecting the authorization, issuance, transfer and assignment of the Bonds and has appointed the Paying Agent in the Authorizing Ordinance to do so. A successor paying agent may be appointed in the manner set forth in the Authorizing Ordinance, provided, however, that in no event shall the Department be liable for the payment of any fees of such Paying Agent

SECTION 3.10. Lost, Destroyed or Improperly Cancelled Bonds. In case any of the Bonds shall become lost, destroyed or improperly cancelled, such Bonds may be replaced pursuant to any applicable terms of the Authorizing Ordinance, or in the absence of any such terms, in the manner set forth in R.S. 39:971, *et seq.*, or other applicable laws.

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ARTICLE IV

PAYMENT OF BONDS; DEFEASANCE

SECTION 4.01. Pledge of Full Faith and Credit. The Bonds shall constitute limited and special obligations of the Parish, secured by and payable from a pledge and dedication of the avails or proceeds of the Tax. In the Bond Ordinance the Governing Authority obligates itself and its successors in office to continue to impose and collect the Tax annually in each of the years 2017 through 2044, inclusive, and irrevocably and irrepealably dedicates, appropriates and pledges the revenues derived and to be derived from the assessment, levy and collection of the Tax for the years 2015 and 2016, and the annual revenues to be derived from the assessment, levy and collection of the Tax for each of the years 2017 through 2044, inclusive, to the payment of the Bonds.

SECTION 4.02. Defeasance. Notwithstanding any defeasance procedures set forth in the Authorizing Ordinance, so long as the Bonds are owned by the Department or pledged as security for any indebtedness issued by or on behalf of the Department, the Bonds may be defeased and may be deemed to be paid and shall no longer be considered Outstanding under the Authorizing Ordinance and under this Loan Agreement, only in the event that the Parish has complied with the requirements of Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1441 *et seq.*), or any successor provision thereto, to defease all remaining scheduled payments of principal, interest and Administrative Fees on the Bonds.

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ARTICLE V

FUNDS AND ACCOUNTS

SECTION 5.01. Funds and Accounts. For the purpose of receiving purchase price payments of the Bonds and paying Costs of the Project, the Parish has established and agrees to maintain the Construction Fund to be administered in the manner set forth herein and in the Authorizing Ordinance. Additionally, for the payment of and further security for the principal, interest and Administrative Fee on the Bonds, the Parish has established and agrees to maintain the Funds and Accounts to be administered in the manner set forth in the Authorizing Ordinance.

If at any time the Department deems, in its sole discretion, that the depository for any of the aforesaid funds and accounts to be unsatisfactory for whatever reason, then the Parish agrees that it will transfer any or all of said funds to such depository as may be designated by the Department.

SECTION 5.02. Investments. All moneys in any of the Funds and Accounts shall be invested in investment securities permitted by State law and the Authorizing Ordinance. All income derived from such investments shall be added to the amounts in the respective funds, if required, or to the Revenue Fund or to such funds as may be designated in the Authorizing Ordinance, 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. For the purpose of determining if the required amount is being maintained in any of the funds, such investment securities shall be valued at least annually at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

SECTION 5.03. Notification of Deficiencies. The Parish shall notify the Department, and as required by R.S. 39:1410.62 the State Bond Commission, in writing, whenever (i) transfers to any fund required to be established by the Authorizing Ordinance or any ordinance or resolution authorizing the issuance of indebtedness of the Parish have not been made timely or (ii) principal, interest, premiums, or other payments due on the Bonds or any other outstanding indebtedness of the Parish have not been made timely.

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ARTICLE VI

CONSTRUCTION AND COMPLETION OF THE PROJECT

SECTION 6.01. Plans and Specifications; Construction Contracts. The Plans and Specifications must be submitted to the Department for approval in writing, prior to formal request for bids on a construction contract or contracts. The Plans and Specifications shall comply with all laws, regulations and ordinances including, in particular, all zoning, fire, safety and environmental laws, regulations and ordinances. Contracts for the acquisition, construction and installation of the Project shall be entered into in compliance with Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950, as amended.

As a condition of the Loan, the Parish will demonstrate to the satisfaction of the Department before issuing an initial work order for construction, that the Parish has or will have an ownership or such other real interest in the site(s) of the Project, including necessary servitudes and rights-of-way as the Department finds sufficient to assure undisturbed use and possession for the purpose of construction and operation of the Project for the estimated life of the Project. The Parish agrees to provide the Department with a Site Certificate in substantially the form attached to the Commitment Agreement prior to disbursement by the Department of any Loan proceeds for construction.

The Parish will exercise its best efforts to initiate construction of the Project within six (6) months after the Delivery Date and in accordance with prudent public utility practice to complete the Project and to so accomplish such completion on or before the Scheduled Completion Date, and to provide from its own financial resources all moneys required to complete the Project in excess of the Loan Amount available hereunder.

SECTION 6.02. Engineer. Prior to signing a construction contract or contracts, the Parish shall name the Engineer. If so required by the Department, the Engineer shall issue prior to each disbursement request a progress report detailing construction status to date and stating whether construction is within the Project budget. Requisitions for funds during construction, in the form attached hereto as Exhibit D will be executed by the Parish and certified by the Engineer.

SECTION 6.03. Compliance with Law. If requested by the Department, the Parish will furnish the Department with evidence that the property and equipment constituting the System, and the proposed and actual use thereof, comply with all laws, ordinances, rules and regulations of all governmental authorities having jurisdiction over the same, including the Regulations, and that there is no action or proceeding before any court, quasi-judicial body or administrative agency at the time of any disbursement by the Department relating to the System.

The Parish will obtain all necessary approvals from any and all governmental agencies requisite to the completion of the Project in compliance with all federal, State and local laws, ordinances and regulations applicable thereto. Upon completion of the Project the Parish shall obtain all required permits and authorizations from appropriate authorities as required for operation and use of the Project as contemplated by this Loan Agreement.

In the event that archeological artifacts or historical resources are unearthed during construction excavation of the Project, the Parish shall stop or cause to be stopped construction activities and will notify the Department of such fact.

The Parish will immediately halt construction of the Project and notify the Department if any endangered species are encountered during construction so that mitigating measures can be taken in accordance with the Endangered Species Act of 1973, as amended.

The Parish will take and institute such proceedings as will be necessary to cause and require all contractors and materials suppliers to complete their contracts diligently and in accordance with the terms of the contracts, including without limitation, correcting any defective work.

SECTION 6.04. Davis-Bacon Wage Rate Requirements. The Parish agrees that all laborers and mechanics employed by contractors and subcontractors on the Project shall be paid wages at rates not less than those prevailing on projects of a character

similar in the locality of the Parish as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Parish will ensure that all construction contracts relating to the Project will require that the contractor comply with the aforesaid wage and reporting requirements.

SECTION 6.05. Use of American Iron and Steel Products. In order to comply with Consolidated Appropriations Act, 2016 (Public Law 114-113) the Parish agrees that all of the iron and steel products used in the portion of the Project that is funded in whole or in part with the Bonds shall be produced in the United States unless the Administrator of the United States Department of Environmental Quality ("EPA") finds that:

- (a) applying the foregoing requirement would be inconsistent with the public interest;
- (b) iron and steel products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (c) inclusion of iron and steel products produced in the United States will increase the cost of the overall Project by more than 25 percent.

The requirements of this section shall not apply to any project if the engineering plans and specifications for the Project (or applicable portion of the Project) were approved by the Department prior to January 17, 2014.

The Parish agrees that the Project Engineer(s) will in good faith design the Project and solicit bids for construction with American-made iron and steel products, and that it will include the applicable terms relating to the use of American-made iron and steel products in any request for proposal or solicitations for bids and in all contracts related to the Project. Language similar to that attached hereto as Exhibit E may be used for this purpose.

If the Parish determines that it cannot comply with the requirements of this section, it will request a waiver in accordance with procedures set forth by EPA, and shall notify the Department that it is requesting such a waiver from EPA. If the Administrator of EPA determines that it is necessary to waive the application of this section based on a finding under subsection (b), the head of EPA shall publish in the Federal Register a detailed written justification as to why the provision is being waived. For purposes of this Section:

"Iron and Steel Products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal casings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

"Steel" means an alloy that includes at least 50% iron, between 0.02% and 2% carbon, and may include other elements. Production in the United States of the iron or steel used in the Project requires that all manufacturing processes must take place in the United States, except metallurgical processes involving refinement of steel additives. The requirements of this Section do not apply to iron or steel used as components or subcomponents of manufactured goods used in the Project.

"Manufactured Good" means a good brought to the construction site of the Project for incorporation into the Project that has been (a) processed into a specific form and shape or (b) combined with other raw material to create a material that has different properties than the properties of the individual raw materials. There is no requirement with regard to the origin of components or subcomponents in manufactured goods, as long as the manufacture of the goods occurs in the United States.

"Reasonably available quantity" means that the quantity of iron or steel is available or will be available at the time needed and place needed and in the proper form or specification as specified in the Project plans and designs.

"Satisfactory quality" means the quality of iron or steel as specified in the project plans and designs.

SECTION 6.06. Payment of Additional Costs of the Project. In the event that Loan proceeds are not sufficient to pay the Costs of the Project in full, the Parish shall nonetheless complete the Project and pay that portion of the Costs of the Project 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 any additional financing which may (subject to availability) be provided by the Department pursuant to application by the Parish.

SECTION 6.07. Completion Certificate. The Project will be considered complete when the provisions of Section 7.08 have been met for all construction contracts included in the Project, or upon the disbursement of the final installment of the purchase price of the Bonds, whichever occurs first, and such date will be the Completion Date for purposes of this Loan Agreement. On or as soon as practicable after the Completion Date, the Parish shall submit the Certificate of Substantial Completion required by Section 7.08(a) and shall certify to the Department when it has initiated or is capable of initiating operation of the Project. The Parish shall also ratify and confirm in writing the final principal amount of the Loan and the final principal amortization schedule for the Loan.

ARTICLE VII

DISBURSEMENTS

SECTION 7.01. Disbursement of Loan Proceeds. Prior to any disbursement of Loan proceeds, the Parish will prepare a budget and construction disbursement schedule which shall be updated from time to time as required by the progress of construction. Installments of the Loan, representing purchase price installments of the Bonds, shall be paid by the Department to the Parish under the terms of this Loan Agreement, upon receipt of a properly completed requisition in the form attached hereto as Exhibit D, subject to and conditioned upon the availability of sums on deposit in the State Revolving Fund. The Parish will deposit such proceeds in the Construction Fund and will utilize and expend such proceeds in a timely and expeditious manner and, in particular, will:

- (a) pay promptly all approved Costs of the Project;
- (b) proceed expeditiously with and complete the Project in accordance with Plans and Specifications, with construction reasonably expected to begin within six (6) months after the Delivery Date;
- (c) provide and maintain competent and adequate supervision and inspection of the Project;
- (d) disburse all installments of the purchase price of the Loan to pay Costs of the Project no more than twenty (20) calendar days after receipt of such installment of the purchase price;
- (e) return promptly upon written request of the Department any and all unused funds, including all costs or amounts found not eligible or disallowed by the Department or any portion of any installment of the purchase price that is not disbursed to pay Costs of the Project within twenty (20) calendar days after receipt of such installment by the Parish; and
- (f) complete the Project within two years of the Delivery Date unless the Department gives its written approval to an extended construction period.

SECTION 7.02. Disbursement Procedure. Purchase price installments of the Bonds for the payment of Costs of the Project shall be made by the Department to the Parish from time to time as the construction of the Project progresses, subject to the satisfaction of the following conditions:

- (a) in connection with each disbursement, the Parish shall submit a requisition in the form attached hereto as Exhibit D, which requisition shall include:
 - (i) an updated copy of the disbursement schedule (if applicable);
 - (ii) the report of the Engineer, which report shall be in the form and substance satisfactory to the Department and shall state that the Project, to the best of the Engineer's knowledge, as completed as of the date of such report, has been constructed in accordance with the Plans and Specifications and that the undisbursed portion of the Loan Amount is sufficient to complete the Project in accordance with the Plans and Specifications and the disbursement schedule;
 - (iii) if required by the Department, evidence satisfactory to the Department that the insurance required by Section 8.08 of this Loan Agreement remains in full force and effect;
 - (iv) if required by the Department, evidence and/or certifications satisfactory to the Department that the " American-Made Iron and Steel Products " requirements of the Consolidated Appropriations Act, 2016, have been complied with;
 - (v) such other instruments, documents, certificates, endorsements, invoices and opinions as the Department may reasonably require to substantiate the Costs of the Project for which payment is requested; and
 - (vi) if the requisition is the final requisition, the Completion Certificate required by Section 6.07 and Section 7.08(a);
- (b) disbursements shall be made by the Department not more frequently than twice per calendar month, and each disbursement request must be for a minimum of \$5,000, except for the final request, which may be for a lesser amount;
- (c) each disbursement shall be subject to the review and approval of the Department; and

(d) the amount of each disbursement shall be computed so that five percent (5%), or such larger percentage as may be requested by the Parish, of such disbursement constituting eligible costs and one hundred percent (100%) of non-eligible costs will be deducted from the total amount payable as retainage or as non-eligible costs with respect to each contract for construction of the Project or any portion thereof. The total amount of retainage withheld from the disbursements during the construction of the Project with respect to each contract shall be disbursed pursuant to the provisions of Section 7.08.

SECTION 7.03. Modified Disbursement Procedure. The Department reserves the right to modify the procedures set forth in Section 7.02 in order to make disbursements directly to any contractor or to subcontractors and suppliers when it is necessary to prevent a default under any construction contract or to insure that all subcontractors, suppliers and laborers who have performed services or provided materials to the Project are paid.

SECTION 7.04. Reimbursement of Certain Costs. The Parish will promptly reimburse the Department for any portion of the Loan which is determined by the Department to have been expended for a cost which is not eligible for funding from the State Revolving Fund, which reimbursement will be made not more than 180 days after the discovery thereof by either the Parish or the Department. Such reimbursement shall be promptly paid to the Department upon written request of the Department with interest on the amount reimbursed at the rate borne by the Bonds from the later of the date of the disbursement from which any such non-eligible item was paid or the last Interest Payment Date on which the Parish paid interest with respect to said amounts, and shall be applied in inverse order of maturity against the outstanding principal amount of the Bonds.

SECTION 7.05. Inspections; Possession of Project. Upon the occurrence of an Event of Default, the Parish does hereby agree and authorize the Department, EPA, the Engineer, or any agent, officer, employee or representative of the Department or EPA to enter upon the Project to make inspections of the materials, plans, shop drawings, workmanship and construction of the Project or to enter into possession of the Project and perform any work necessary or desirable to complete the Project and to take all other action in connection therewith, in order that the Department and/or EPA may:

- (a) verify that each disbursement is appropriate and in conformity with the requirements of this Article and any applicable laws or regulations;
- (b) verify that all work covered by a proposed disbursement is in accordance with the Plans and Specifications;
- (c) determine whether there has been or may be any default of the obligations of the Parish under this Loan Agreement or the Authorizing Ordinance; and
- (d) take any necessary or appropriate action to insure that the Project will be completed in a timely manner and in accordance with the Plans and Specifications and the disbursement schedule.

None of the aforesaid actions by the Department or by any agent, officer, employee or representative of the Department shall be or may be construed in such a manner as to impose any duty or obligation whatsoever on the Department, the Engineer, or any agent, officer, employee or representative of the Department to protect or represent any owner, borrower, contractor, surety, or any other person whatsoever and shall not be considered or construed as having made any warranty whatsoever, whether express or implied, as to the adequacy, quality of fitness or purpose of any physical conditions, materials, workmanship, plans, specifications, drawings or other requirements pertaining to the Project, or whether any such physical conditions, materials or workmanship comply with any plans, specification, drawings, ordinances, statutes, or other governmental requirements pertaining to the Project.

SECTION 7.06. Conditions Precedent. It is specifically understood and agreed that the obligation of the Department to fund any disbursements for payments to contractors or suppliers (other than engineering expenses and costs of issuance of the Bonds) shall be subject to the receipt by the Department of the following items with respect to each construction contract that is entered into with respect to the Project:

(a) a true and correct copy of all applicable construction contracts pertaining to the Project (including all amendments, addenda, supplements, modifications and related documents), which contracts shall be for a guaranteed maximum contract price satisfactory to the Department or on such terms and conditions as shall be satisfactory to the Department;

(b) three (3) complete sets of the Plans and Specifications relating to any construction contract pertaining to the Project, which Plans and Specifications shall be in final form and shall have been approved in scope and substance by the Parish and the Department;

(c) a "Notice to Proceed" statement from the Parish or the Engineer stating that the Engineer has reviewed and approved the disbursement schedule and that the applicable portion of the Project can be completed in accordance with such Plans and Specifications for the amounts reflected in the disbursement schedule;

(d) a certificate from the Engineer stating that the proposed use of the Project as contemplated by the Plans and Specifications is consistent with all applicable zoning ordinances and such use of the Project for the purposes contemplated thereby is permitted under all applicable zoning ordinances;

(e) a copy of any building permits, if required, issued by the applicable agency or agencies with respect to the proposed construction of the Project;

(f) a copy of any policy or policies of builder's all-risk insurance issued by an insurance company or companies acceptable to the Department, insuring the Project for its full replacement costs (or on a progressively full insured basis) with extended coverage, and said policy shall insure against such loss or damages as the Department may require, or the Parish shall provide proof of self-insurance;

(g) a copy of a policy of comprehensive general liability insurance, which policy shall be satisfactory to the Department in form, substance, limits and coverage, or the Parish shall provide proof of self-insurance;

(h) a copy of a policy of worker's compensation insurance issued in accordance with applicable law, or the Parish shall provide proof of self-insurance;

(i) a copy of a payment and a performance bond from a surety company acceptable to the Department; and

(j) a final site certificate.

SECTION 7.07. Conditions to all Disbursements. In addition to the requirements of Section 7.06 with respect to the initial disbursement for each construction contract that is entered into with respect to the Project, the obligation of the Department to fund the initial and all subsequent disbursements of the purchase price of the Bonds is subject to the satisfaction of the following further conditions:

(a) that as of the date of such disbursement, there has occurred no Default and no condition which, with the giving of notice or lapse of time or both, would become an Event of Default with respect to the Bonds, any other bonds or indebtedness of the Parish or this Loan Agreement;

(b) that each of the representations, covenants and agreements of the Parish contained herein shall be true and correct on and as of the date of the respective disbursements;

(c) that the Parish shall be in full compliance with all obligations and covenants contained herein, the applicable Regulations and all other applicable State, Department and federal regulations;

(d) that as of the date of the request for disbursement there have been no changes made to the Plans and Specifications nor any change orders executed which have not been approved by the Department; and

(e) that as of the date of the request for disbursement all fees and expenses of counsel to the Department in connection with the Loan have been paid or will be paid from the proceeds of such disbursement.

SECTION 7.08. Conditions to Disbursement of Retainage. The disbursement by the Department of the retainage withheld pursuant to Section 7.02 shall be subject to the satisfaction of the following conditions:

(a) receipt by the Department of a certificate signed by the Parish and the Engineer stating that to their best knowledge the Project or applicable portion of the Project has been completed in accordance with the Plans and Specifications therefor;

- (b) receipt by the Department of a copy of a lien and privilege certificate showing that no liens have been recorded encumbering the Project;
- (c) if requested by the Department, receipt by the Department of a certificate of cancellation evidencing that the construction contract or contracts have been canceled and erased from the mortgage records, if applicable;
- (d) receipt by the Department of a duly completed request for disbursement executed by the Parish covering the retainage;
- (e) a certificate of the Parish certifying that all Costs of the Project, and all change orders and amendments to all construction contracts, have been previously submitted by the Parish to the Department, which certificate contains an acknowledgment by the Parish that no further disbursements will be due to the Parish from the Department;
- (f) completion of a final inspection of the Project by the Department;
- (g) receipt by the Department of a duly completed certificate of labor standards by the Parish, if applicable; and
- (h) if not previously furnished by Parish, (i) a certified copy of a duly enacted sewer use ordinance, (ii) a sewer user charge ordinance and (iii) if applicable, an industrial waste ordinance, all as defined by the Regulations, each complying with applicable provisions of the Regulations and all other applicable State and federal regulations, which have been approved as to form and substance by the Department.

ARTICLE VIII

OPERATION OF THE SYSTEM

SECTION 8.01. Operation of the System. The Parish and the District will maintain the System in good repair and operating condition and will cooperate with the Department in the observance and performance of the respective duties, covenants, obligations and agreements of the Parish, the District and the Department under this Loan Agreement.

The Parish will insure that the Project operates and meets minimum technical and administrative requirements in accordance with the State Sanitary Code, and the Parish and the District will meet all requirements imposed by the EPA and the Department as a condition of receiving the Loan from the State Revolving Fund under the Federal Act, the State Act and any applicable Regulations.

The Parish and the District will, in accordance with prudent sewerage utility practice,

(a) at all times operate the properties of the System and any business in connection therewith in an efficient manner;

(b) maintain the System in good repair, working order and operating condition; and

(c) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, provided, however, that this covenant shall not be construed as requiring the Parish to expend any funds which are derived from sources other than the operation of its System or other receipts of such System which are not pledged hereunder, and provided further that nothing herein shall be construed as preventing the Parish from doing so.

SECTION 8.02. Sewer Charges and Connections. Acting in the exercise of its police powers, to the extent permitted by law, the Parish and the District shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land within the geographical boundaries of the District which abuts upon a street or other public way containing a sewer line and upon which lots or parcels of 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 sewage, sewage 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 the Parish and the District, 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 enforcement of public sewerage charges and for the compelling of the making of utility connections as aforesaid, the Parish covenants that it 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.

The Parish and the District will not furnish or supply or cause to be furnished or supplied any use, capacity or service of the System free of charge to any person, firm, corporation (public or private), public agency or instrumentality.

SECTION 8.03. User Fees. The Parish and the District will enact, maintain and enforce an ordinance or resolution imposing User Fees and will enact, maintain and enforce a utilities use ordinance or resolution or similar proceeding that satisfies the requirements of all applicable regulations. So long as the Bonds are outstanding, the Parish and the District, through their Governing Authority, obligates itself to fix, establish, maintain, levy and collect such rates, fees, rents or other charges for services and facilities of the System and all parts thereof and to revise the same from time to time whenever necessary to always provide User Fees in each Fiscal Year sufficient to meet all requirements of the Authorizing Ordinance and at least to:

(a) pay the reasonable and necessary expenses of operating and maintaining the System in such Fiscal Year and to satisfy the requirements of Louisiana Administrative Code 33:IX.2111(L), or any successor provision, that the User Fees

generate sufficient revenues to cover the costs of operation, maintenance and replacement;

(b) pay debt service on any revenue bonds that are payable from such User Fees (other than the Bonds); and

(c) meet any coverage ratio requirement relating to any revenue bonds that are payable from such User Fees.

SECTION 8.04. Annual Review of User Fees. At least annually, but in no event later than six (6) months after the close of the previous Fiscal Year, the Parish and the District shall review the adequacy of its User Fees to satisfy the requirements of Section 8.03 for the next succeeding Fiscal Year. If required by the Department, the Parish and the District shall prepare a report of such review stating the Parish's and District's opinion regarding the adequacy or inadequacy of the existing User Fees to satisfy the requirements of Section 8.03 and what action the Parish and the District will take to satisfy such requirements, if any, and shall furnish a copy of such report to the Department upon its completion.

If such review indicates that the User Fees are, or are likely to be, insufficient to meet the requirements of Section 8.03 for the next succeeding Fiscal Year, or if it otherwise appears at any time during such Fiscal Year that User Fees are or are likely to be insufficient to meet such requirements, the Parish and the District shall promptly take such steps as are necessary to cure or avoid the deficiency.

SECTION 8.05. Financial Records; Annual Audit. The Parish will establish and maintain adequate financial records as required by the laws of the State governing financial record-keeping by political subdivisions and in accordance with generally accepted accounting principles ("GAAP") and will make these and the following records and reports available to the Department and EPA or their authorized representatives upon request.

The Parish will cause an audit of its financial statements to be made by an independent firm of certified public accountants in accordance with the requirements of Chapter 8 of Title 24 of the Louisiana Revised Statutes of 1950, as amended, and in accordance with the requirements of the Single Audit Act Amendments of 1996 as implemented by 2 CFR 200 Subpart F and Section 66.458 of the Catalog of Federal Domestic Assistance (CFDA Publication #66.458 - Capitalization Grants for State Revolving Funds) if applicable. The Parish and its auditor have furnished a certification acknowledging the requirements of Circular A-133.

Upon completion, but in no event later than six (6) months after the close of the applicable Fiscal Year, the Parish shall file a copy of such audited financial statements with the Department.

A reasonable portion of the expenses incurred in the preparation of the audit report required by this Section may be regarded and paid as a maintenance and operation expense of the System. The Parish further agrees that the Department shall have the right to ask for and discuss with the accountant making the review and the contents of the review and such additional information as it may reasonably require. The Parish further agrees to furnish to the Department, upon request therefor, a monthly statement itemized to show the income and expenses of the operation of the System and the number of users for the preceding month.

SECTION 8.06. Consulting Engineer. The Parish and the District will submit over the life of the Loan sufficient information as is reasonably requested by the Department to demonstrate that the Parish and the District have legal, institutional, managerial and financial capability to ensure the construction, operation and maintenance of the Project and the System and the repayment of the Loan, interest and administrative fees.

To this end, the Parish or the District may retain an Engineer, but shall be required to do so only in accordance with provisions of this section, for the purpose of providing the Parish and the District with continuous engineering counsel in the operation of the System. The Engineer shall be retained under contract at such reasonable compensation as may be fixed by the Parish and the District, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Engineer so appointed may be replaced at any time by another Engineer appointed or retained by the Parish upon written notice to the Department.

SECTION 8.07. Prohibition Against Liens. Except as provided in Section 11.02, the District will maintain title to or the possession of the System and equipment acquired and properties improved by the Project, including any necessary servitudes and rights-of-way acquired in connection with the Project. Title to any immovable equipment and any real property purchased by the Parish or the District in connection with the Project will remain free and clear of all liens and encumbrances. Furthermore, all movable property necessary for the operation of the System will remain free of all liens except liens necessary to secure the purchase of said movable equipment.

SECTION 8.08. Insurance. So long as the Bonds are Outstanding the Parish and the District will maintain or cause to be maintained in force insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of the System at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining facilities similar in nature to the System, including liability coverage, all to the extent available at reasonable cost. In case of loss, any insurance money received by the Parish or the District shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed.

SECTION 8.09. Fidelity Bonds. So long as the Bonds are Outstanding the Parish and the District, 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 blanket or faithful performance bond, or independent fidelity bonds, written by a responsible indemnity company in amounts adequate to protect the Parish from loss.

SECTION 8.10. Competitive Franchises. So long as the Bonds are Outstanding the Parish and the District obligate themselves not to grant a franchise to any utility for operation within the boundaries of the District which would render services or facilities in competition with the System, and also obligates itself to oppose the granting of any such franchise by any other public body having jurisdiction over such matters. Further, the Parish shall maintain its corporate identity and existence so long as any of the Bonds remain outstanding.

SECTION 8.11. Equal Opportunity. The Parish and the District will comply with all federal and State laws pertaining to equal employment opportunities insuring that all engineers and contractors for this Project not discriminate against any person on the basis of race, color, sex, religion, age, national origin or handicap.

SECTION 8.12. Access to Books. The Department and the EPA or their authorized representative shall have access to the Project and to the Parish's administrative offices, books, records, reports, design documents, contract documents and similar documents at any reasonable time. The Parish hereby covenants and agrees that the Parish shall cause its engineers and contractors to cooperate during Project inspections, including making readily available books, records, current working copies of plans and specifications and supplementary materials and further consents and agrees that the Parish will allow inspections and examinations by the Department, and EPA during construction and periodically over the term of the Loan.

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ARTICLE IX

PARITY OBLIGATIONS

SECTION 9.01. Issuance of Additional Parity Obligations. Additional Parity Obligations may be issued in accordance with the provisions of and subject to the terms and conditions imposed by the Authorizing Ordinance, to complete the acquisition and construction of the Project, to make additional improvements to the System, to refund or refinance any portion of the Bonds or other Parity Obligations, and/or for other legally authorized purposes.

SECTION 9.02. Junior and Subordinate Lien Obligations. Junior and subordinate lien Obligations may be issued by the Parish at any time without restriction or notice thereof to the Department.

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ARTICLE X

DEFAULTS AND REMEDIES

SECTION 10.01. Events of Default. Each of the following events is defined as and declared to be and to constitute an "Event of Default" hereunder:

(a) Failure by the Parish to pay, or cause to be paid, the principal of or interest on the Bonds or any other amount payable on the Loan other than the payment of the Administrative Fee when due;

(b) Failure by the Parish to pay, or cause to be paid, the Administrative Fee or any portion thereof when due;

(c) Failure by the Parish or the District to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement, other than as referred to in subsections (a) or (b) above, which failure shall continue for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied is given to the Parish by the Department, unless the Department shall agree in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in such notice is correctable but cannot be corrected within the applicable period, the Department may not unreasonably withhold its consent to an extension of such time up to sixty (60) days from the delivery of the written notice referred to above if corrective action is instituted by the Parish or the District within the applicable period and diligently pursued until the Event of Default is corrected;

(d) If any representation made by or on behalf of the Parish contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan or in connection with the Bonds, is determined to be false or misleading in any material respect; or

(e) A petition is filed by or against the Parish under any federal or state bankruptcy or insolvency law or other similar law in effect on the date of this Loan Agreement or hereafter enacted, unless in the case of any such petition filed against the Parish such petition shall be dismissed within thirty (30) days after such filing and such dismissal shall be final and not subject to appeal, or the Parish shall become insolvent or bankrupt or make an assignment for the benefit of its creditors; or a custodian (including, without limitation, a receiver, liquidator or trustee of the Parish or any of its property) shall be appointed by court order to take possession of the Parish or its property or assets if such order remains in effect or such possession continues for more than thirty (30) days.

SECTION 10.02. Notice of Default. The Parish shall give the Department prompt notice, by telephone, fax or electronic mail, of the occurrence of any Event of Default and of the occurrence of any other event or condition that constitutes an Event of Default. Any telephone notice pursuant to this Section shall be confirmed in writing by the end of the next business day.

SECTION 10.03. Remedies on Default. Until an Event of Default shall have occurred, the Parish shall retain full possession and control of the System with the full right to manage, operate and use the same and every part thereof with rights appertaining thereto, and to collect and receive, and subject to the provisions of this Loan Agreement, to take, use, enjoy and distribute the earnings, income and profits accruing or derived from the System.

However, when an Event of Default shall have occurred and be continuing the Department shall have the right to take any action permitted or required pursuant to this Loan Agreement or the Authorizing Ordinance and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Parish hereunder, including, without limitation, obtaining the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction.

SECTION 10.04. Attorney's Fees and Other Expenses. To the extent allowed by law, the Parish shall, on demand, pay to the Department the reasonable fees and expenses of attorneys and other reasonable expenses (including without limitation the

reasonably allocated costs of in-house counsel and legal staff) incurred by the Department in the collection of delinquent Loan repayments or any other sum due hereunder or in the enforcement of performance or observation of any other duties, covenants, obligations or agreements of the Parish hereunder, under the Authorizing Ordinance or under any other agreements relating to the Bonds.

SECTION 10.05. Application of Moneys. Any moneys collected by the Department pursuant to Section 10.03, after payment of the costs of operation and maintenance of the System, shall be applied

- (a) first to pay interest due and payable on the Loan;
- (b) second, to pay principal due and payable on the Loan;
- (c) third, to pay any fees and expenses owed by the Parish pursuant to Section 10.04;
- (d) fourth, to pay any other amounts due and payable under this Loan Agreement; and
- (e) fifth, to pay any other amounts payable hereunder, including Administrative Fees, as such amounts become due and payable.

SECTION 10.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Department is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy or power accruing upon any Event of Default shall impair any such right, remedy or power or shall be construed to be a waiver thereof, but any such right, remedy or power may be exercised from time to time and as often as may be deemed expedient. To entitle the Department to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article.

SECTION 10.07. Retention of Department's Right. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to Section 0 or otherwise, and anything else to the contrary contained herein, the Department shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Parish at law or in equity, as the Department may, in its discretion, deem necessary to enforce the obligations of the Parish to the Department.

SECTION 10.08. Default by Department. In the event of any default by the Department under any duty, covenant, agreement or obligation of this Loan Agreement, the Parish's remedy for such default shall be limited to injunction, special action, action for specific performance or any other available legal or equitable remedy designed to enforce the performance or observance of any duty, covenant, obligation or agreement of the Department hereunder as may be necessary or appropriate.

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ARTICLE XI

ASSIGNMENT

SECTION 11.01. Assignment, Transfer or Sale by the Department. The Parish hereby approves and consents to any assignment, transfer or sale of this Loan Agreement and/or the Bonds by the Department including but not limited to any such assignment or transfer in connection with the issuance by or on behalf of the Department of bonds, notes or other debt obligations. The Parish hereby further approves and consents to any assignment or pledge by the Department of payments due from the Parish pursuant to this Loan Agreement and the Bonds as security or partial security for the payment of principal and interest on such bonds, notes or other debt obligations issued by or on behalf of the Department. The Parish agrees to cooperate with the Department in accomplishing any such assignment, including execution of any additional certificates or documents as may be reasonably required by the Department.

SECTION 11.02. Assignment, Transfer or Sale by Parish. While the Bonds are outstanding, neither this Loan Agreement nor the Project may be assigned, transferred or sold by the Parish for any reason, unless the following conditions shall be satisfied:

(a) the Department shall have approved said assignment, transfer or sale in writing;

(b) the assignee or transferee shall be a governmental unit within the meaning of Section 141(c) of the Code, unless the Department shall have received the opinion described in (d) below notwithstanding the fact that the assignee or transferee is not a governmental unit, and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Parish's duties, covenants, agreements and obligations under this Loan Agreement;

(c) immediately after such assignment, transfer or sale, the assignee or transferee shall not be in default in the performance or observance of any duties, covenants, obligations or agreements of the Parish hereunder or under the Authorizing Ordinance;

(d) if applicable, the Department shall have received an opinion of its bond counsel to the effect that such assignment, transfer or sale will not or would not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes under the Code;

(e) if applicable, the Department shall have received an opinion of its bond counsel to the effect that such assignment, transfer or sale will not adversely affect the exclusion of interest on any bonds, notes, or other debt obligations issued by or on behalf of the Department from gross income for federal income tax purposes under the Code or affect the ability of the Department to repay or cause to be repaid any such bonds, notes or other debt obligations; and

(f) the Department shall receive an opinion of its counsel to the effect that such assignment, transfer or sale will not violate the provisions of any agreement entered into by the Department with, or condition of any grant received by the Department from, the United States of America relating to any capitalization grant received by the Department or the State under the Federal Act or the Regulations.

No assignment, transfer or sale shall relieve the Parish from primary liability for any of its obligations under this Loan Agreement and in the event of such assignment, the Parish shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

Notwithstanding the foregoing, the Parish may dispose of property which in its reasonable judgment is worn out unserviceable, unsuitable, or unnecessary in the operation of the System, when other property of equal value is substituted therefor, or the proceeds derived from the disposal of such property are deposited in a Contingencies Fund or used to prepay or redeem the Bonds.

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ARTICLE XII

MISCELLANEOUS

SECTION 12.01. Payment of Department Expenses. The Parish agrees to pay at the Delivery Date all fees and expenses incurred by the Department in connection with the Loan which shall include the payment of all attorneys' fees and expenses of Adams and Reese, LLP, bond counsel to the Department, approved by the Department in connection with the Loan.

SECTION 12.02. Consents and Approvals. Whenever the written consent or approval of the Department shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Secretary of the Department, or the officer signing this Loan Agreement on behalf of the Department (or his or her successor) unless otherwise provided by law or by rules or regulations of the Department or executive order of the Secretary of the Department.

SECTION 12.03. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or sent by registered or certified mail, postage prepaid, or by overnight courier service to the Parish and to the Department at the addresses shown in the appearances to this Loan Agreement. Either of the foregoing parties may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent by notice in writing given to the other party, and may accept notices by facsimile or electronic mail.

SECTION 12.04. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Department and the Parish and their respective successors and assigns.

SECTION 12.05. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable or otherwise affect any other provision hereof.

SECTION 12.06. Amendments, Supplements and Modifications. This Loan Agreement may be amended, supplemented or modified in writing with the consent of both the Department and the Parish.

SECTION 12.07. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which constitute but one and the same instrument.

SECTION 12.08. Applicable Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana.

SECTION 12.09. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit or describe the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 12.10. Further Assurances. The Parish agrees, at the request of the Department to authorize, execute, acknowledge and deliver such further resolutions, ordinances, conveyances, transfers, assurances, financing statements and other instruments as may be necessary or desirable for better assuring, conveying, granting, assigning and confirming the rights and agreements granted or intended to be granted by the Parish under this Loan Agreement.

SECTION 12.11. Parish to Cooperate in Rating and Issuance of Department's Bonds. The Parish acknowledges that the Department may assign the Bonds and this Loan Agreement as security for the payment of bonds issued by or on the Department's behalf, and that in order to facilitate the rating of any such bonds the Parish shall furnish to the Department, any issuer of any such bonds, or any nationally recognized rating

agency, such documents and financial reports as may be reasonably required to obtain a rating for such bonds. Further, the Parish agrees to perform such acts and execute such further documents and certificates as may be reasonably required by the Department in connection with the issuance of any such bonds.

SECTION 12.12. Parish's Continuing Disclosure Obligations. The Parish hereby acknowledges and agrees that even though the Bonds are initially 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 the Bonds 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 Parish could constitute an "obligated person" as defined and used in the Rule. In that case, the Parish agrees to comply with the continuing disclosure requirements of the Rule upon notification by the Department of the Parish's obligation to do so.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Department and the Parish have caused this Loan Agreement to be executed, sealed and delivered on this ____ day of _____, 2017, but dated for convenience of the parties as of the date first above-written.

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

By: _____
Karyn Andrews, Undersecretary

PARISH OF ST. CHARLES, STATE OF LOUISIANA

By: _____
Parish President

ATTEST:

By: _____
Council Secretary

(SEAL)

**EXHIBIT A
to Loan and Pledge Agreement**

DESCRIPTION OF PROJECT

EXHIBIT B
to Loan and Pledge Agreement

ESTIMATED PRINCIPAL REPAYMENT SCHEDULE

The Bonds shall mature in twenty (20) installments of principal, payable annually on each March 1, beginning on March 1, 2020, or the first March 1 following the Completion Date, whichever is earlier, and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the principal amount of the Bonds outstanding on the day before the applicable Principal Payment Date:

<u>Year</u> <u>(March 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Year</u> <u>(March 1)</u>	<u>Percentage</u> <u>of Principal</u>
1	4.564%	11	9.580%
2	4.827	12	10.696
3	5.120	13	12.090
4	5.448	14	13.884
5	5.817	15	16.275
6	6.235	16	19.624
7	6.712	17	24.647
8	7.264	18	33.019
9	7.907	19	49.764
10	8.667	20	100.000

EXHIBIT C
to Loan and Pledge Agreement

ESTIMATED COSTS OF THE PROJECT

Construction	\$ _____
Contingencies	
Legal/Administrative	
Basic Engineering Fees	
Other A/E Fees	
Project Inspection	
Design	
Startup Services	
Other (Equipment)	
Miscellaneous	_____
TOTAL	\$ _____

EXHIBIT D
to Loan and Pledge Agreement

FORM OF REQUISITION

REQUEST FOR REIMBURSEMENT CLEAN WATER STATE REVOLVING FUND	FORM RF-105	DEPARTMENT OF ENVIRONMENTAL QUALITY FINANCIAL SERVICES DIVISION P.O. BOX 4303 BATON ROUGE, LOUISIANA 70821-4303
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DEQ LOAN NUMBER: _____ PAYMENT _____ PAYMENT TYPE
 REQUEST _____ PARTIAL X
 FINAL _____

PERIOD COVERED BY THIS REQUEST: FROM _____ TO _____

RECIPIENT COMMUNITY: NAME: _____ PHONE: _____ FAX: _____	CONTACT PERSON: NAME: _____ PHONE: _____
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LINE ITEM CLASSIFICATIONS	Budget Amount	Previously Requested	Amount Requested	TOTALS
a. Construction				
b. Contingencies				
c. Legal/Administrative				
d. Basic Engineering Fees				
e. Other A/E Fees				
f. Project Inspection				
g. Design				
h. O & M				
i. Startup Services				
j. Other (Equipment)				
k. Miscellaneous				
l.				
m. Total Cumulative to date Sum of lines a through l)				
n. LESS Payments Previously Requested				
o. Amount Requested this Reimbursement				
p. Percentage of Physical Completion				

CERTIFICATION:

"I certify to the best of my knowledge and belief, that the billed costs are in accordance with the terms of the Loan Agreement and that this reimbursement represents the funds due which have not previously been requested, that an inspection has been performed, that all work is in accordance with the terms and conditions of the Loan Agreement, that the project as completed as of the date of this request has been constructed in accordance with the plans and specifications and that the undisbursed portion of the loan amount is sufficient to complete the project in accordance with the plans and specifications and the disbursement schedule."

 Signature of Engineer or Representative Typed or Printed Name and Title Date

 Signature of Loan Recipient Typed or Printed Name and Title Date

*** THIS SECTION TO BE COMPLETED BY DEQ ***

PREPARED _____ BY _____ :
 DATE: _____

APPROVED _____ BY _____ :
 DATE: _____

EXHIBIT E

to Loan and Pledge Agreement

SAMPLE BIDDER CERTIFICATIONS

RELATING TO USE OF AMERICAN-MADE IRON AND STEEL PRODUCTS

1. Identification of American-made Iron and Steel Products: Consistent with the terms of the Purchaser's bid solicitation and the provisions of Title IV, Division G of the Consolidated Appropriations Act, 2014 (P.L. 113-76), the Bidder certifies that this bid reflects the Bidder's best, good faith effort to identify domestic sources of iron and steel, products for every component contained in the bid solicitation where such American-made iron and steel products are available on the schedule and consistent with the deadlines prescribed in or required by the bid solicitation.

2. Verification of U.S. Production: The Bidder certifies that all iron and steel products contained in the bid solicitation that are American-made have been so identified, and if this bid is accepted, the Bidder agrees that it will provide reasonable, sufficient, and timely verification to the Purchaser of the U.S. production of each iron or steel product so identified.

3. Documentation Regarding Non-American-made Iron or Steel Products: The Bidder certifies that for any iron or steel product that is not American-made and is so identified in this bid, the Bidder has included in or attached to this bid one or both of the following, as applicable:

- (a) Identification of and citation to a categorical waiver published by the U.S. Environmental Protection Agency in the Federal Register that is applicable to such product, and an analysis that supports its applicability to the component or components;
- (b) Verifiable documentation sufficient to the Purchaser, as required in the bid solicitation or otherwise, that the Bidder has sought to secure American-made iron or steel products but has determined that such products are not available on the schedule and consistent with the deadlines prescribed in the bid solicitation, with assurance adequate for the Bidder under the applicable conditions stated in the bid solicitation or otherwise.

4. Information and Detailed Justification Regarding Non-American-made Iron or Steel Product: The Bidder certifies that for any such iron or steel product that is not so available, the Bidder has also provided in or attached to this bid information, including but not limited to the verifiable documentation and a full description of the bidder's efforts to secure any such American-made product that the Bidder believes are sufficient to provide and as far as possible constitute the detailed justification required for a waiver with respect to such product. The Bidder further agrees that, if this bid is accepted, it will assist the Purchaser in amending, supplementing, or further supporting such information as required by the Purchaser to request and, as applicable, implement the terms of a waiver with respect to any such product.

* * * * *

**SAMPLE CONTRACT LANGUAGE
RELATING TO USE OF AMERICAN-MADE IRON AND STEEL PRODUCTS**

The Contractor acknowledges to and for the benefit of the Louisiana Department of Environmental Quality (the "Purchaser") and the Clean Water State Revolving Fund (the "SRF") that it understands the goods and services under this Agreement are being funded with monies made available by the SRF and that Title IV, Division G of the Consolidated Appropriations Act, 2014 contains provisions commonly known as "Buy American;" that requires all of the iron and steel products used in the project be produced in the United States ("Buy American Requirements") including iron and steel products provided by the Contractor pursuant to this Agreement. The Contractor hereby represents and warrants to and for the benefit of the Purchaser and the SRF that (a) the Contractor has reviewed and understands the Buy American Requirements, (b) all of the iron and steel products used in the project will be and/or have been produced in the United States in a manner that complies with the Buy American Requirements, unless a waiver of the requirements is approved, and (c) the Contractor will provide any further verified information, certification or assurance of compliance with this paragraph, or information necessary to support a waiver of the Buy American Requirements, as may be requested by the Purchaser or the SRF. Notwithstanding any other provision of this Agreement, any failure to comply with this paragraph by the Contractor shall permit the Purchaser or SRF to recover as damages against the Contractor any loss, expense or cost (including without limitation attorney's fees) incurred by the Purchaser or SRF resulting from any such failure (including without limitation any impairment or loss of funding, whether in whole or in part, from the SRF or any damages owed to the SRF by the Purchaser). While the Contractor has no direct contractual privity with the SRF, as a lender to the Purchaser for the funding of its project, the Purchaser and the Contractor agree that the SRF is a third-party beneficiary and neither this paragraph (nor any other provision of this Agreement necessary to give this paragraph force or effect) shall be amended or waived without the prior written consent of the SRF.

STATE OF LOUISIANA

PARISH OF ST. CHARLES

I, the undersigned Council Secretary of the St. Charles Parish Council, do hereby certify that the foregoing pages constitute a true and correct copy of proceedings adopted by the Parish Council on April 17, 2017, authorizing the issuance by the Parish of St. Charles, State of Louisiana of its Taxable Limited Tax Bond, Series 2017, in an amount not to exceed Eight Million Dollars (\$8,000,000), authorizing the issuance by the Parish of St. Charles, State of Louisiana of its Taxable Limited Tax Bond, Series 2017, in an amount not to exceed Eight Million Dollars (\$8,000,000), authorizing the issuance by the Parish of St. Charles, State of Louisiana, prescribing the form, terms and conditions of said Bond; providing for the payment thereof; entering into certain other covenants and agreements in connection with the security and payment of said Bond; selling said Bond to the Clean Water State Revolving Fund; authorizing the execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Environmental Quality; providing for the delivery of the Bond to said Department; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Issuer, on this, the 17th day of April, 2017.

(SEAL)

Council Secretary