

Ord.  
**2015-0018**

**INTRODUCED BY: V.J. ST. PIERRE, JR., PARISH PRESIDENT  
(BOND COUNSEL)**

**ORDINANCE NO. 15-2-1**

An ordinance authorizing the issuance of \$22,170,000 Water Revenue Refunding Bonds, Series 2015 of Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana (the "District"), for the purpose of refinancing outstanding debt of the District; prescribing the form, terms and conditions of said Bonds; designating the date, denomination and place of payment of said Bonds; providing for the payment thereof in principal and interest; confirming the sale and delivery of the Bonds to the Underwriter; and providing for other matters in connection therewith.

**WHEREAS**, Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana (the "Issuer") now owns and operates a utilities system as a single revenue producing public utility, consisting of the combined waterworks plants and systems (collectively, the "System"); and

**WHEREAS**, the Issuer has heretofore issued \$23,975,000 aggregate principal amount of Water Revenue Bonds, Series 2007A, dated January 30, 2007 (the "2007A Bonds"), which bonds are payable by an irrevocable pledge and dedication from the income and revenues derived or to be derived from the operation of the Issuer's combined waterworks plants and systems as a single revenue producing public utility (the "System"), after provisions have been made for payment therefrom of the reasonable expenses of administration, operation and maintenance of the System, pursuant to the provisions of the constitution and statutes of the State of Louisiana; and

**WHEREAS**, the Issuer has found and determined that the refunding all of the outstanding maturities of the 2007A Bonds (the "Refunded Bonds"), as more fully described in Exhibit A, would be financially advantageous to the Issuer; and

**WHEREAS**, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this Council to adopt this Bond Ordinance in order to provide for the issuance of Twenty-Two Million One Hundred Seventy Thousand Dollars (\$22,170,000) of Water Revenue Refunding Bonds, Series 2015 (the "Bonds"), for the purpose of refunding the Refunded Bonds, providing a reserve and paying the costs of issuance therefor, and further to fix the details of the Bonds and to sell the Bonds to the purchaser thereof; and

**WHEREAS**, following the delivery of the bonds as set forth herein, the Issuer will have outstanding the following described bonds payable from a pledge and dedication of the income and revenues of the System:

\$1,830,000 Water Revenue Refunding Bonds, Series 2007B,  
maturing on July 1, 2015 and 2016 (the "Outstanding Prior Lien  
Bonds")

**WHEREAS**, it is the intention of the Issuer that the Bonds authorized herein be issued as Subordinated Indebtedness pursuant to the Ordinance issuing the Outstanding Prior Lien Bonds and shall be secured by and payable from the revenues of the System, after provisions have been made for the payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the System and after provision has been made for the payments required by the Outstanding Prior Lien Bonds; and

**WHEREAS**, in connection with the issuance of the Bonds, it is necessary that provision be made for the payment of the principal and interest of, and to provide for the call for redemption of the Refunded Bonds, pursuant to a Notice of Defeasance and Call for Redemption; and

**WHEREAS**, it is necessary that this St. Charles Parish Council, as the governing authority of the Issuer, prescribe the form and content of a Defeasance and Escrow Deposit Agreement providing for the payment of the principal and interest of the Refunded Bonds and authorize the execution thereof as hereinafter provided;

**NOW, THEREFORE, BE IT ORDAINED** by the St. Charles Parish Council of the Parish of St. Charles, State of Louisiana, acting as the governing authority of Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana, that:

## **ARTICLE I DEFINITIONS**

**SECTION 1.1. Definitions.** The following terms as used in this Ordinance shall have the following respective meanings, such definitions to be equally applicable to both the singular and plural sense of any of such terms:

“Act” shall mean Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

“Additional Parity Bonds” means any additional *pari passu* bonds which may hereafter be issued pursuant to Section 8.2 hereof on a parity with the Bonds.

“Additional Parity Bond Ordinance” means any ordinance adopted by the governing authority of the Issuer authorizing the issuance of the Additional Parity Bonds.

“Bond” or “Bonds” means collectively, the Issuer’s Twenty-Two Million One Hundred Seventy Thousand Dollars (\$22,170,000) of Water Revenue Refunding Bonds, Series 2015, whether initially delivered or issued in exchange for, upon transfer of, or *in lieu* of any previously issued.

“Bond Counsel” means Foley & Judell, L.L.P., or any other attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Obligation” means, as of the date of computation, the principal amount of the Bonds then Outstanding.

“Bond Ordinance” or “Ordinance” means this ordinance, as further amended and supplemented as herein provided.

“Bond Register” means the registration books of the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

“Bond Service Requirement” means for a given Bond Year, the sum of the principal of and interest and premium, if any, and any owed administrative fee, or other payments on all Indebtedness coming due in such Bond Year; provided, however, that there shall be subtracted from such sum any accrued interest on any Indebtedness paid or to be paid in such Bond Year and capitalized interest for such Bond Year that has been deposited with the Issuer for that purpose.

“Bond Year” means the annual period beginning on the second day of July of each year and ending on the first day of July of the following calendar year.

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

“Capital Additions Fund” means the fund or account described in Section 6.3 hereof.

“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.

“Consulting Engineer” or “Engineer” means a nationally known consulting utility engineer or firm of consulting utility engineers with skill and experience in the construction and operation of publicly owned water utility properties.

“Costs of Issuance” means all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, if paid by the Issuer, fees and disbursements of consultants and professionals and financial or municipal advisors, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the Reserve Fund Alternative Investment, if any, and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of Bonds.

**“Cost of Operation and Maintenance”** means any operating and maintenance expense as defined in accordance with generally accepted accounting principles in the United States of America. Notwithstanding the foregoing, Costs of Operation and Maintenance shall not include (i) any costs and expenses attributable to a Separately Financed Project, (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of the Water System to the condition of serviceability thereof when new, (iii) depreciation costs or (iv) any interest expense on any Indebtedness.

**“Defeasance Obligations”** means cash and/or non-callable Government Securities.

**“Delivery Date”** means the date on which funds are transferred by the Underwriter to the Issuer in exchange for the purchase of the Bonds.

**“Escrow Agent”** means The Bank of New York Mellon Trust Company, N.A., in Baton Rouge, Louisiana, and its successor or successors, and any other person which may at any time be substituted in its place pursuant to the Bond Ordinance.

**“Escrow Agreement”** means the Defeasance and Escrow Deposit Agreement dated as of March 1, 2015, between the Issuer and the Escrow Agent, substantially in the form attached hereto as Exhibit B, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

**“Executive Officers”** means collectively the Parish President and the Secretary of the Governing Authority of the Issuer, or any officers of the Issuer or its successor designated by Supplemental Ordinance.

**“Fiscal Year”** means the one year period commencing on January 1 of each year, or such other one-year period as may be selected by the Issuer.

**“Funds”** and **“Accounts”** means, respectively, any of the Funds or Accounts established herein.

**“Governing Authority”** means the St. Charles Parish Council, or its predecessor or successor in function.

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

**“Impact Fees”** means all capital expansion fees, contributions in aid of construction, system improvement fees, or other similar fees and charges, separately imposed by the Issuer as a non-user capacity charge for the proportionate share of the cost of expanding, oversizing, separating or constructing new additions to the System. “Impact Fees” shall not include connection or hook-up charges or other payments or fees received by the Issuer as reimbursement for the cost of connecting or re-connecting a customer to the System.

**“Indebtedness”** means all Outstanding Prior Lien Bonds, the Bonds, Additional Parity Bonds, and Subordinated Obligations payable from Revenues as may be outstanding from time to time.

**“Interest Payment Date”** means January 1 and July 1 of each year, commencing July 1, 2015.

**“Issuer”** means Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana.

**“Net Revenues”** means the amount of Revenues less the Cost of Operation and Maintenance of the Water System, after provision has been made for the payments required by Section 5.1 of the Outstanding Prior Lien Bond Ordinance, if any.

**“Operating Fund”** means the fund by that name established in Section 6.3 hereof.

**“Outstanding”** when used with reference to the Bonds, means, as of any date, all Bonds theretofore issued under the Bond Ordinance, except:

(a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;

(b) Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds with the effect specified in this Bond Ordinance, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to the Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

(c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to the Bond Ordinance; and

(d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Bond Ordinance or by law.

**“Outstanding Prior Lien Bonds”** means the Issuer=s outstanding Water Revenue Refunding Bonds, Series 2007B, maturing July 1, 2015 and 2016, as described in the preamble hereto, which are not being defeased by the Bonds.

**“Outstanding Prior Lien Bond Ordinance”** means the General Bond Ordinance No. 06-12-27 as supplemented by the First Supplemental Ordinance No. 06-12-28 adopted by the Governing Authority on of the Issuer December 19, 2006 authorizing the issuance of the Outstanding Prior Lien Bonds.

**“Owner”** or **“Owners”** shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent, or if the Bonds are held in book entry form as set forth in Section 2.5 hereof, the beneficial owners of the Bonds.

**“Paying Agent”** shall mean The Bank of New York Mellon Trust Company, N.A., in Baton Rouge, Louisiana, as paying agent and registrar hereunder, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond Ordinance, and thereafter **“Paying Agent”** shall mean such successor Paying Agent.

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

**“Prior Lien Bond Fund”** shall have the meaning set forth in Section 6.3 hereof.

**“Qualified Independent Consultant”** means any one or more qualified and recognized independent consultants or firm of consultants (which may include, without limitation, independent accountants and engineers), having favorable repute, skill and experience with respect to the acts and duties required of a Qualified Independent Consultant by a particular section or sections of this Ordinance, as shall from time to time be retained by the Issuer for the purposes hereof, and which may be the Consulting Engineer described in Section 9.12.

**“Qualified Investments”** means any investments which are at the time legal for investment of the Issuer's funds pursuant to the laws of the State, the value of which shall be determined as follows:

(a) For the purpose of determining the amount in any Fund, all Qualified Investments credited to such Fund shall be valued at fair market value; and

(b) As to certificates of deposit and bankers' acceptances, the face amount thereof plus accrued interest thereon.

If the Bonds or any Additional Parity Bonds carry a rating assigned by any nationally recognized statistical rating organization, any Qualified Investment must be rated at least as high as such bonds by at least one rating agency.

**“Rate Stabilization Account”** shall have the meaning set forth in Section 6.3 hereof.

**“Receipts Fund”** shall have the meaning set forth in Section 6.3 hereof.

**“Record Date”** means, with respect to an Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a Business Day.

**“Refunded Bonds”** means \$23,975,000 of the Issuer's outstanding Water Revenue Bonds, Series 2007A, dated January 30, 2007, maturing July 1, 2017 to July 1, 2036, inclusive, which are being refunded by the Bonds, as more fully described in Exhibit A hereto.

**“Reserve Account”** means, as applicable, the Series 2015 Bonds Reserve Account or the applicable Reserve Account designated in the ordinance authorizing the issuance of any future Reserve Secured Bonds.

**“Reserve Account Alternative Investment”** means a surety bond or insurance policy issued by an insurance company or an irrevocable letter of credit issued by a bank to be deposited in the Reserve Fund.

**“Reserve Requirement”** means, as applicable, the Series 2015 Bonds Reserve Requirement or the Reserve Requirement designated in the ordinance authorizing the issuance of any future Reserve Secured Bonds.

**“Reserve Secured Bonds”** means the Bonds and any future issue of Additional Parity Bonds designated to be secured by a Reserve Account in the ordinance authorizing the issuance of such Additional Parity Bonds.

**“Revenues”** means (i) all rates, fees, charges, income, rents and receipts derived by the Issuer from or attributable to the ownership and operation of the Water System, including all revenues attributable to the Water System or to the payment of the costs thereof received by the Issuer under any contracts for the sale of power, energy, transmission or other use of the services, facilities or products of the Water System or any part thereof or any contractual arrangement with respect to the use of the Water System or any portion thereof or the services, output, facilities, capacity or products of the Water System, (ii) the proceeds of any insurance covering business interruption loss relating to the Water System, (iii) interest received on the investment or reinvestment of any moneys held hereunder required to be deposited or kept in the Receipts Fund, and (iv) funds received from a Rate Stabilization Account; provided, however, that "Revenues" shall not include revenues from a Separately Financed Project, Impact Fees, or revenues deposited in a Rate Stabilization Account.

**“Separately Financed Project”** has the meaning provided in Section 8.3 hereof.

**“Series 2015 Bonds Reserve Account”** means the Reserve Account established and maintained pursuant to Section 6.3(d) of this Ordinance.

**“Series 2015 Bonds Reserve Requirement”** means, as of any date of calculation, a sum equal to the lesser of (i) 10% of the stated principal amount of the Bonds (calculated in accordance with the Code), (ii) the highest combined principal and interest requirements for any succeeding Fiscal Year on the Bonds, or (iii) 125% of the average aggregate amount of principal installments and interest becoming due in any Fiscal Year on the Bonds; provided, however, that the 2015 Bonds Reserve Requirement may be increased (but not decreased) if any future issue of Reserve Secured Bonds shall be secured by the 2015 Bonds Reserve Account.

**“Series 2015 Bonds Reserve Account Alternative Investment”** means the reserve fund surety bond issued by Assured Guaranty Municipal Corp. to be deposited in the Series 2015 Bonds Reserve Account as provided in Section 6.3 of this Ordinance and/or any substitution therefor permitted pursuant to Section 6.3 of this Ordinance.

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

**“Subordinated Obligations”** means any bond, note or other indebtedness authorized by ordinance or resolution of the Issuer and designated in such ordinance or resolution by the Issuer as constituting "Subordinated Obligations," which shall be payable from the Net Revenues subject

and subordinate to the payments to be made with respect to the Bonds and any Additional Parity Bonds, and which shall be secured by a lien on and pledge of the Net Revenues junior and inferior to the lien on and pledge of the Net Revenues herein created for the payment of the Bonds and Any Additional Parity Bonds.

“**System**” or “**Water System**” means the revenue producing public utilities system of the Issuer consisting of the combined waterworks plants and system, including specifically all properties of every nature owned, leased or operated by the Issuer and used or useful in the operation of its complete waterworks plants and system, as said plants and systems now exist and as they may be improved, extended or supplemented from any source including the proceeds of bonds, and including all real estate, personal and intangible properties, contracts, franchises, leases and choses in action, and including any right to use the capacity from any facilities or services thereof, and all properties now or hereafter operated by the Issuer under lease or agreement with any other individual, joint venture, partnership or corporation, public or private, as a part of the System, whether lying within or without the boundaries of the Issuer. The Water System shall not include any Separately Financed Project.

“**Term Bonds**” shall mean the term bonds maturing on July 1 of the years 2030 and 2035 and which are subject to mandatory redemption as set forth in Section 4.2.

“**Trustee**” means a financial institution serving in the capacity described in Section 11.2.

“**Underwriter**” means Stephens Inc., of Baton Rouge, Louisiana.

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

## ARTICLE II AUTHORIZATION AND ISSUANCE OF THE BONDS

**SECTION 2.1.** Authorization of Bonds and Escrow Agreement. (a) This Bond Ordinance creates series of Bonds of the Issuer to be designated “Water Revenue Refunding Bonds, Series 2015, of Consolidated Waterworks and Wastewater District No. 1 of the Parish of St. Charles, Louisiana” and provides for the full and final payment of the principal of and interest on all of the Bonds.

(b) The Bonds issued under this Bond Ordinance shall be issued for the purpose of refunding the Refunded Bonds through the escrow of a portion of the proceeds of the Bonds, together with other available moneys of the Issuer, in accordance with the terms of the Escrow Agreement, in order to provide for the payment of the principal of and interest on the Refunded Bonds as they mature or upon earlier redemption as provided in Section 14.1 hereof, and to pay the Costs of Issuance.

(c) Provision having been made for the orderly payment until maturity or earlier redemption of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Bonds under this Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer incidental to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds, except to assure that the Refunded Bonds are paid from the funds so escrowed in accordance with the provisions of the Escrow Agreement.

(d) The Escrow Agreement is hereby approved by the Issuer, and the Executive Officers of the Issuer are hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the Issuer substantially in the form of Exhibit B hereof, with such changes, additions, deletions or completions deemed appropriate by such officers, and it is expressly provided and covenanted that all of the provisions for the payment of the principal of, premium and interest on the Refunded Bonds from the special trust fund created under the Escrow Agreement shall be strictly observed and followed in all respects.

**SECTION 2.2.** Ordinance to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time, the provisions of this Ordinance shall be a part of the contract of the Issuer with the Owners and shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds.

**SECTION 2.3.** Obligation of Bonds. The Bonds shall be payable as to both principal and interest solely from the Net Revenues. The Net Revenues are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds and any Additional Parity Bonds, in principal and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Ordinance. All of the Net Revenues shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds and any Additional Parity Bonds, in principal and interest and for all other payments provided for in this Ordinance until such bonds shall have been fully paid and discharged.

**SECTION 2.4.** Authorization and Designation. Pursuant to the provisions of the Act, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness of \$22,170,000, for, on behalf of and in the name of the Issuer, for the purpose of refunding the Refunded Bonds, providing a reserve therefor and paying the Costs of Issuance. The Bonds shall be in substantially the form set forth in Exhibit C hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

**SECTION 2.5.** Book Entry Registration of Bonds. The Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), as registered owner of the Bonds, and held in the custody of DTC. The Secretary of the Governing Authority of the Issuer or any other officer of the Governing Authority of the Issuer is authorized to execute and deliver a Letter of Representation to DTC on behalf of the Issuer with respect to the issuance of the Bonds in "book-entry only" format. The Paying Agent is hereby directed to execute said Letter of Representation. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of this Bond Ordinance and said Letter of Representation. Initially, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

Notwithstanding anything to the contrary herein, while the Bonds are issued in book-entry-only form, the payment of principal of, premium, if any, and interest on the Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

- (a) DTC determines to discontinue providing its service with respect to the Bonds. Such a determination may be made at any time by giving 30 days' notice to the Issuer and the Paying Agent and discharging its responsibilities with respect thereto under applicable law; or
- b) The Issuer determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in the best interests of the Issuer and/or the Beneficial Owners.

The Issuer and the Paying Agent will recognize DTC or its nominee as the Owner for all purposes, including notices and voting.

Neither the Issuer or the Paying Agent are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Bond Resolution of holding, delivering or transferring the Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

**SECTION 2.6.** Denominations, Dates, Maturities and Interest. The Bonds shall be in fully registered form, shall be dated the date of delivery, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall bear interest from date thereof or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on July 1, 2015, and semiannually thereafter on January 1 and July 1 of each year, at the following rates of interest per annum, and shall become due and payable and mature serially on July 1 of each year as follows:

<b>Bonds</b>					
<u>Year</u>	<u>Principal Payment</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Payment</u>	<u>Interest Rate</u>
2017	\$ 750,000	2.000%	2024	\$ 400,000	5.000%
2018	765,000	2.000	2025	185,000	2.500
2019	780,000	2.000	2025	795,000	5.000
2020	800,000	2.000			
2021	810,000	5.000	2030	5,675,000	5.000
2022	850,000	5.000			
2023	900,000	5.000	2035	7,245,000	5.000
2024	540,000	4.000	2036	1,675,000	3.750

**SECTION 2.7.** Payment of Principal and Interest. The principal of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to each Owner (determined as of the close of business on the applicable Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose. Except as otherwise provided in this Section, Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date. The Person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

### ARTICLE III GENERAL TERMS AND PROVISIONS OF THE BONDS

**SECTION 3.1.** Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the Bond Obligation.

All Bonds presented for registration of transfer or exchange shall be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in writing.

Subject to the provisions of Section 3.1, the Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instruments

of transfer and assignment acceptable to the Paying Agent. A new Bond will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bond after receipt of the Bond to be transferred in proper form. Such new Bond shall be in an authorized denomination. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date.

No service charge to the Owners shall be made by the Paying Agent for any exchange or registration of transfer of Bonds. The Paying Agent may require payment by the person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Issuer and the Paying Agent shall not be required to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business on a Record Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Bond Ordinance as the Bonds surrendered.

Prior to due presentment for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent of the Issuer or the Paying Agent may deem and treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

**SECTION 3.2.**      Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt an ordinance and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or *in lieu* of and in substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) compliance with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 3.3 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof. Any such duplicate Bond issued pursuant to this Section shall constitute an original, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects identical with those replaced except that it shall bear on its face the following additional clause: "This bond is issued to replace a lost, cancelled or destroyed bond under the authority of R.S. 39:971 through 39:974."

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

**SECTION 3.3.**      Cancellation of Bonds. All Bonds paid or redeemed either at or before maturity, together with all bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the City Clerk of the Issuer an appropriate certificate of cancellation.

**SECTION 3.4.**      Execution of Bonds and Documents. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Ordinance, to cause the necessary Bonds to be printed, to issue, execute and seal the Bonds and to effect delivery thereof as hereinafter provided. If facsimile signatures are used on the Bonds, then such signatures shall be registered with the Louisiana Secretary of State in the manner required by La. R.S. 39:244.

In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such additional documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Ordinance, the signatures of said persons on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

**SECTION 3.5.** Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth in Exhibit C hereto shall have been duly manually executed on behalf of the Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Bond Ordinance.

**SECTION 3.6.** Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to-wit:

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

#### ARTICLE IV REDEMPTION OF BONDS

**SECTION 4.1.** Redemption of Bonds. Those Bonds maturing on July 1, 2026 and thereafter, shall be callable for redemption by the Issuer in full, or in part, at any time on or after July 1, 2025 (but if less than a full maturity, then by lot within such maturity), at the principal amount thereof and accrued interest to the date fixed for redemption. In the event a Bond to be redeemed is of a denomination larger than Five Thousand Dollars (\$5,000), a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Any Bond which is to be redeemed only in part shall be surrendered at the office of the Paying Agent and there shall be delivered to the Owner of such Bond, a new Bond of the same maturity and of authorized denomination as requested by such Owner in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered. Official notice of such call of any of the Bonds for redemption shall be given not less than thirty-five (35) days prior to the redemption date by the Issuer to the Paying Agent, who shall within five (5) days thereof give notice of such redemption by means of first class mail, postage prepaid, addressed to the Owner of each Bond to be redeemed at his address as shown on the Bond Register. Bonds are not required to be redeemed in inverse order of their maturities.

**SECTION 4.2.** Mandatory Sinking Fund Redemption of Term Bonds. The Term Bond maturing on July 1, 2030 shall be subject to mandatory sinking fund redemption on July 1 in the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon:

Year (July 1)	Principal Amount
2026	\$1,025,000
2027	1,080,000
2028	1,130,000
2029	1,190,000
2030*	1,250,000

\*Final Maturity

The Term Bond maturing on July 1, 2035 shall be subject to mandatory sinking fund redemption on July 1 in the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon:

Year (July 1)	Principal Amount
2031	\$1,310,000
2032	1,380,000
2033	1,445,000
2034	1,520,000
2035*	1,590,000

\*Final Maturity

## ARTICLE V APPLICATION OF BOND PROCEEDS

**SECTION 5.1.** Application of Bond Proceeds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to:

(a) Deposit irrevocably in trust with the Escrow Agent under the terms and conditions of the Escrow Agreement, as hereinafter provided, an amount of the proceeds derived from the issuance and sale of the Bonds, together with additional moneys of the Issuer, as when invested, will provide at least the required cash amount on or before each payment date for the Refunded Bonds (said amounts being necessary on each of the designated dates to pay and retire or redeem the Refunded Bonds payable upon redemption).

(b) Deposit in an Expense Fund such amount of the proceeds of the Bonds and/or other moneys as will permit the payment of the Costs of Issuance and the costs properly attributable to the establishment and administration of the Escrow Fund on behalf of the Issuer.

(c) Establish the Series 2015 Bonds Reserve Account in the Reserve Fund, which shall be funded to the Series 2015 Bonds Reserve Requirement in the manner set forth in Section 6.3 hereof.

## ARTICLE VI PAYMENT OF BONDS; FLOW OF FUNDS

**SECTION 6.1.** Deposit of Funds With Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from the moneys described below, or other funds available for such purpose, at least three (3) days in advance of each Interest Payment Date for the Bonds, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

**SECTION 6.2.** Outstanding Prior Lien Bonds. The Issuer recognizes that the Owners of the Outstanding Prior Lien Bonds have certain contractual rights with respect to the revenues of the System by virtue of the provisions of the Outstanding Prior Lien Bond Ordinance. Nothing in this Ordinance shall be construed in such a manner as to impair any rights vested in the Owners of the Outstanding Prior Lien Bonds, and if at any time it shall be established that any of the provisions of this Ordinance are in conflict with the provisions of the Outstanding Prior Lien Bond Ordinance authorizing the Outstanding Prior Lien Bonds in such manner as to impair any contractual rights vested in the Owners thereof, then the provisions of the Outstanding Prior Lien Bond Ordinance shall be controlling as to such conflicts as long as the Outstanding Prior Lien Bonds are outstanding.

**SECTION 6.3.** Funds and Accounts. All Revenues, except (i) income received from the sale of capital assets and charges between divisions of the System, and (ii) proceeds from the issuance of Indebtedness, plus any other funds available to the System that the Issuer chooses to so deposit, shall be deposited daily as the same may be collected in the "Receipts Fund", established pursuant to the Outstanding Prior Lien Bond Ordinance, which shall be maintained and administered in the following order of priority and for the following express purposes:

(a) The maintenance of the "Operating Fund" (the "Operating Fund") established pursuant to the Outstanding Prior Lien Bond Ordinance, into which the Issuer shall transfer or set aside funds from time to time as needed to provide for the payment of Costs of Operation and Maintenance.

(b) The maintenance of the "Prior Lien Bond Fund" (the "Prior Lien Bond Fund"), hereby established for the purpose of making payments under the Outstanding Prior Lien Bond Ordinance as long as the Outstanding Prior Lien Bonds remain outstanding and which shall include the several funds and amounts required under Section 5.1 of the Outstanding Prior Lien Bond Ordinance.

(c) The establishment and maintenance of a "Sinking Fund - 2015" (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any Additional Parity Bonds issued hereafter in the manner provided by this Ordinance, as they severally become due and payable (whether at maturity or upon optional or mandatory redemption), by transferring to the Sinking Fund, monthly in advance on or before the 20th day of each month, a sum equal to 1/6th of such interest falling due on the next Interest Payment Date and a sum equal to 1/12th of such principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.

(d) The establishment and maintenance of a Reserve Fund - 2015 (the "Reserve Fund") and which will be used to satisfy the Reserve Requirements for each series of Reserve Secured Bonds. The Reserve Fund will be segregated into one or more accounts as may be established in this Ordinance and in any ordinance authorizing the issuance of Additional Parity Bonds in the future. Any Additional Parity Bonds that are issued as Reserve Secured Bonds may utilize an existing Reserve Fund account, provided in doing so, the Reserve Requirement of the prior issue is met and satisfied.

There is hereby established and shall be maintained the "Series 2015 Bonds Reserve Account" as a separate account in the Reserve Fund, which shall secure the Bonds and, subject to the prior written consent of the provider of any Series 2015 Bonds Reserve Account Alternative Investment, any future issue of Additional Parity Bonds that are issued as Reserve Secured Bonds if so provided in the ordinance issuing such Additional Parity Bonds. The Series 2015 Bonds Reserve Account shall be funded in an amount equal to the Series 2015 Bonds Reserve Requirement.

Amounts on deposit in the Series 2015 Bonds Reserve Account may be used solely for the purpose of curing deficiencies in the Sinking Fund for the payment when due of the principal of and interest on the Bonds and any future Reserve Secured Bonds secured by the Series 2015 Bonds Reserve Account as provided in the ordinance issuing such Reserve Secured Bonds. Except as set forth in any Additional Parity Bond ordinances, amounts on deposit in other Reserve Accounts established in the future may be used solely for the purpose of curing deficiencies in the Sinking Fund for the payment when due of the principal of, premium, if any, and interest on the Reserve Secured Bonds for which such account may be created. If funds on deposit in any Reserve Account exceed the Reserve Requirement for that Reserve Account, the excess cash shall be deposited into the Receipts Fund and used as set forth herein.

Each Reserve Account may be funded, in whole or in part, with cash, Qualified Investments, one or more Reserve Account Alternative Investments, or a combination thereof. Any Reserve Account Alternative Investment must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for payment of the principal of or premium or interest due on the Reserve Secured Bonds secured by such Reserve Account on such date. The Series 2015 Bonds Reserve Account shall be initially funded with the Series 2015 Bonds Reserve Account Alternative Investment.

If a disbursement is made from a Reserve Account, including a draw on a Reserve Account Alternative Investment as provided above, the Issuer shall be obligated to reinstate such Reserve Account(s) to the applicable Reserve Requirement(s) from the first revenues available pursuant to this Section after making the deposits required into the Sinking Fund. For purposes of this Section, amounts necessary to satisfy such reimbursement obligations of the Issuer to the provider of a Reserve Account Alternative Investment shall be deemed to be required deposits to the applicable Reserve Account and shall be applied to satisfy the obligations to the provider of such Reserve Account Alternative Investment. If draws are made from more than one Reserve Account, the Issuer shall make payments required by this paragraph on a pro rata basis.

Cash on deposit in the Series 2015 Bonds Reserve Account, if any, shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on the Series 2015 Bonds Reserve Account Alternative Investment. If more than one Reserve Account Alternative Investment is deposited in the Series 2015 Bonds Reserve Account,

drawings thereunder shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

The Issuer may, at any time in its discretion, substitute the Series 2015 Bonds Reserve Account Alternative Investment with cash or another one or more Reserve Account Alternative Investments; provided, however, that each new Reserve Account Alternative Investment to be deposited in the Series 2015 Bonds Reserve Account shall be rated in the same or higher rating category by one or more nationally recognized statistical rating agency as the Series 2015 Bonds Reserve Account Alternative Investment as of the date of such substitution.

(e) After meeting the requirements in 6.3(d), the moneys in the Receipts Fund shall next be deposited in the Capital Additions Fund, which moneys in the Capital Additions Fund shall next be used for the following purposes:

(i) When amounts are deposited in the Capital Additions Fund to pay the capitalized cost of interest on Bonds or Additional Parity Bonds of the Issuer, the Issuer shall pay from the Capital Additions Fund to the Paying Agent, on or before the date or dates on which interest on such Bonds or Additional Obligation Bonds becomes due and payable, an amount equal to such interest.

(ii) Notwithstanding the above provisions of this Section, amounts in the Capital Additions Fund must be applied to the payment of principal of and interest on the Bonds and any Additional Parity Bonds when due at any time that moneys are not available therefor.

(iii) There shall also be deposited in said fund all Impact Fees to be used as directed by the Governing Authority.

(iv) The moneys in the Capital Additions Fund may be used for (i) making improvements to the System, (ii) the creation and maintenance of a Rate Stabilization Account, which may be used for making payments into the Receipts Fund to provide for temporary losses of revenue, such payments to be made for such time and in such amounts as may be determined by the Issuer and shall be considered as Revenue as defined herein, (iii) the payment of Subordinated Obligations, (iv) the purchase of Outstanding Bonds or Additional Parity Bonds, or (v) making any payment or investment for any lawful corporate purposes as the Governing Authority may determine, whether such purposes are or are not in relation to the System.

**SECTION 6.4.** Investment of Funds. All or any part of the moneys in any Fund or Account established herein shall, at the written request of the Issuer, be held in cash or cash equivalents or shall be invested in Qualified Investments. All income derived from such investments shall be added to the money in said respective funds or to the Utilities System Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are created.

**SECTION 6.5.** Depository. All Funds and Accounts shall be held by the regularly-designated fiscal agent bank of the issuer unless required to be held elsewhere pursuant to the terms of an Additional Parity Bond Ordinance. All funds or other property which at any time may be owned or held in the possession of or deposited with the Issuer in the funds and accounts created or maintained under the provisions of this Ordinance shall be held in trust and applied only in accordance with the provisions of this Ordinance.

**SECTION 6.6.** Capital Improvements. Notwithstanding the provisions hereof, while the Outstanding Prior Lien Bonds are still outstanding, the Issuer covenants that it will not make any expenditures from the Capital Additions Fund established and maintained pursuant to Section 5.1(e) of the Outstanding Prior Lien Bond Ordinance unless and until it has made provisions for the payment of the Bonds and any Additional Parity Bonds.

## ARTICLE VII BOND-RELATED COVENANTS

**SECTION 7.1.** Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

**SECTION 7.2.** Tax Covenants. (a) The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of the Bonds proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds". The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

(b) The Issuer shall not permit at any time or times any proceeds of the Bonds or any other funds of the Issuer to be used, directly or indirectly, in a manner which would result in the exclusion of the interest on any Bond from the treatment afforded by Section 103(a) of the Code, as from time to time amended, or any successor provision thereto.

(c) The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

**SECTION 7.3.** Bonds are not "Qualified Tax-Exempt Obligations". The Bonds are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

**SECTION 7.4.** Continuing Disclosure Certificate. The Parish President of the Parish of St. Charles, State of Louisiana, is hereby empowered and directed to execute an appropriate Continuing Disclosure Certificate (substantially in the form set forth in [Appendix H] of the official statement issued in connection with the sale and issuance of the Bonds) pursuant to S.E.C. Rule 15c2-12(b)(5).

## ARTICLE VIII ADDITIONAL PARITY BONDS

**SECTION 8.1.** Creation of Liens, Issuance of Subordinated Obligations. The Issuer covenants that it will issue no additional "Obligations" pursuant to and as such term is defined in the Outstanding Prior Lien Bond Ordinance. The Issuer shall not issue any bonds or other evidences of indebtedness or incur obligations, other than the Bonds and any Additional Parity Bonds as provided herein, secured by a pledge of the Net Revenues and shall not create or cause to be created any lien or charge on the Net Revenues except as provided herein; provided, however, that the Issuer may, at any time, or from time to time, incur Subordinated Obligations payable out of, and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with Section 6.3(e) hereof and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of Net Revenues created by this Ordinance as security for payment of the Bonds and any Additional Parity Bonds, and provided further that nothing contained in this Ordinance shall prevent the Issuer from issuing (i) bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution or ordinance to finance a Separately Financed Project; or (ii) other bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution or ordinance payable from, among other sources, those moneys withdrawn by the Issuer from the Capital Additions Fund. All of the Bonds shall enjoy complete parity of lien on the Net Revenues of and other funds available to the System despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds.

**SECTION 8.2.** Issuance of Additional Parity Bonds. The Issuer shall issue Additional Parity Bonds hereafter only under the following circumstances or if the following conditions are met:

(i) The Issuer meets any one of the following tests:

(A) *Historical Test.* The Director of Finance of the Parish certifies on behalf of the Issuer that, for any 12-month period during the 18-month period immediately preceding the date of issuance of such Additional Parity Bonds, the Net Revenues of and other funds available to the System were sufficient to pay an amount representing not less than 120% of the Bond Service Requirement (including the proposed Additional Parity Bonds but excluding any Subordinated Obligations) in each fiscal year following the fiscal year in which the proposed Additional Parity Bonds are to be issued; provided, however, that if a rate increase has been effected prior to the issuance of the proposed Additional Parity Bonds, then the coverage calculations required hereunder may be made as if such rate increase had been in effect during such period, and further provided that in the event one or more systems have been acquired or additions to the System have been made by the Issuer prior to the delivery of the Additional Parity Bonds and are included in the System, then the coverage calculations required hereunder may be made as if such acquired systems or additions had been a part of the System during such period; or

(B) *Future Test.* A Consulting Engineer retained for such purposes by the Issuer certifies that, based upon the average annual Net Revenues projected by such the Consulting Engineer for a period of five fiscal years immediately following the date on which the project financed with the proceeds of the proposed Additional Parity Bonds becomes operational by the Issuer, such projected Net Revenues of and other funds available to the System in each such fiscal year will be sufficient to pay an amount representing not less than 130% of the Bond Service Requirement (including the proposed Additional Parity Bonds but excluding any Subordinated Obligations) in each fiscal year following the fiscal year in which the proposed Additional Parity Bonds are to be issued;

(ii) The Director of Finance of the Parish, on behalf of the Issuer or an independent firm of certified public accountants employed by the Issuer for such purpose certifies that the payments required to be made into the various funds provided in Section 6.3 of this Bond Ordinance are current and that there are no other Events of Default existing under this Bond Ordinance or the Outstanding Prior Lien Bond Ordinance if still outstanding at such time; and

(iii) The proposed Additional Parity Bonds shall be payable as to principal on July 1 of each year in which principal is due and shall be payable as to interest on January 1 and July 1, beginning not later than six (6) months from the date of the proposed Additional Parity Bonds.

**SECTION 8.3.** Separately Financed Project. Nothing in this Ordinance shall prevent the Issuer from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness, other than Additional Parity Bonds, for any project authorized by law, or from financing or otherwise providing for any such project from other available funds (such project being referred to herein as a "Separately Financed Project"), if the debt service on such bonds, notes, or other obligations or evidences of indebtedness, and the Issuer's share of any operating expenses related to such Separately Financed Project, are payable solely from the revenues or other income derived from the ownership or operation of such Separately Financed Project, from other available funds of the Issuer not constituting part of the Revenues or from other funds withdrawn by the Issuer from the Capital Additions Fund.

## ARTICLE IX RATES AND CHARGES; COVENANTS AS TO THE MAINTENANCE AND OPERATION OF THE SYSTEM

**SECTION 9.1.** Operation Covenant. The Issuer hereby covenants to operate the Water System in such a manner in order to ensure the continued availability of Net Revenues to pay all costs required by this Ordinance. The Issuer covenants to adequately maintain and improve the Water System and to employ the necessary staff and employees, as required by industry practice and as necessary to properly operate and protect the Water System.

**SECTION 9.2.** Maintenance of Water System; Disposition. The Issuer will maintain the Water System and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for its economical operation and

maintenance, provided, however, that nothing herein shall be construed to prevent the Issuer from ceasing to operate or maintain, or from leasing or disposing of any portion or component of the Water System if, in the judgment of the Issuer, (i) it is advisable to lease, dispose of, or not operate and maintain the same, and (ii) the lease, disposition or failure to maintain or operate such component or portion of the Water System will not prevent the Issuer from meeting the requirements of Sections 6.3 and 9.6 hereof. Notwithstanding anything in the foregoing to the contrary, the sale-leaseback or lease-leaseback of any portion or component of the Water System or any similar contractual arrangements the effect of which is that the Issuer continues to retain as part of the Revenues, the Revenues from such portion or component of the Water System, shall not constitute a lease or disposition thereof for purposes of this Section.

**SECTION 9.3.**      No Competitive Facilities. The Issuer shall not hereafter construct, acquire or operate any plants, structures, facilities or properties which will provide like services of the Water System in the Issuer and the areas currently served by the respective systems in competition with and not as part of the Water System unless such construction, acquisition or operation, in the judgment of the Issuer, does not materially impair the ability of the Issuer to comply with Section 6.3. Unless prohibited by any applicable law or regulation, the Issuer shall not voluntarily grant a franchise to any entity to construct or operate any competing facility providing the same services provided by the Water System.

**SECTION 9.4.**      No Free Service. The Issuer will not permit free water, electricity or sewerage service to be supplied by the Water System to the Issuer or any department thereof or to any person, firm or corporation, public or private, or to any public agency or instrumentality.

**SECTION 9.5.**      Operating Budget. Before the first day of each Fiscal Year the Governing Authority shall prepare, approve and adopt in the manner prescribed by law, and may amend from time to time as provided by law, a detailed budget of the Revenues, Bond Service Requirement, and Cost of Operation and Maintenance for the next succeeding Fiscal Year. Copies of its annual budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of the Issuer and shall be mailed to any Owner requesting the same.

**SECTION 9.6.**      Rate Covenant.

(a) So long as any Bonds remain Outstanding, the Issuer will fix, charge and collect, or cause to be fixed, charged and collected, subject to applicable requirements or restrictions imposed by law, such rates, rentals, fees and charges for the use of and for the services and products provided by the Water System as are expected to be sufficient in each Bond Year to produce Revenues in an amount at least equal to the sum of (i) one hundred percent (100%) of the Costs of Operation and Maintenance for such Bond Year, (ii) one hundred twenty percent (120%) of the Bond Service Requirement for such Bond Year, (iii) one hundred percent (100%) of all other payments required to be made pursuant to the Outstanding Prior Lien Bond Ordinance, (iv) one hundred percent (100%) of all other payments required to be made pursuant to this Ordinance and any Additional Parity Bond Ordinance, and (v) any additional amount required to make all other payments required to be made.

(b) Failure by the Issuer to comply with the preceding paragraph of this Section in any Fiscal Year shall not constitute an event of default as described in Section 11.1 hereof so long as the Issuer shall, no later than sixty (60) days after discovering such non-compliance and in all events no later than sixty (60) days of receipt by the Issuer of audited financial statements delivered pursuant to Section 9.8 hereof which statements show such noncompliance, retain a Qualified Independent Consultant for the purpose of reviewing the Water System fees, rates, rents, charges and surcharges and shall implement the recommendations of such Qualified Independent Consultant with respect to such fees, rates, rents, charges and surcharges filed by the Qualified Independent Consultant with the Issuer in a written report or certificate, and such failure shall not be an event of default even though the Qualified Independent Consultant shall be of the opinion, as set forth in such report or certificate, that it would be impracticable at the time to charge such fees, rates, rents, charges and surcharges for the Water System as would provide funds sufficient to comply with the requirements of the preceding paragraph so long as the Issuer imposes such schedule of fees, rates, rents, charges and surcharges as in the opinion of such Qualified Independent Consultant will allow the Issuer to as nearly as then practicable comply with such requirements and the Issuer shall again be in compliance within the preceding paragraph of this Section no later than twelve calendar months after its discovery of such non-compliance.

**SECTION 9.7.** Books and Records. The Issuer shall keep separately identifiable financial books, records, accounts and data concerning the operation of the Water System and the receipt and disbursement of Revenues, and any Owner shall have the right at all reasonable times to inspect the same.

**SECTION 9.8.** Reports and Annual Audits. The Issuer shall require that an annual audit of the accounts and records with respect to the Water System be completed as soon as reasonably practicable after the end of each Fiscal Year by a qualified independent certified public accountant. Such audit shall be conducted in accordance with generally accepted auditing standards as applied to governments and shall include a statement by such auditors that no default on the part of the Issuer of any covenant or obligation hereunder has been disclosed by reason of such audit, or, alternatively, specifying in reasonable detail the nature of such default.

**SECTION 9.9.** Insurance and Condemnation Awards. The Issuer will carry adequate fire, windstorm, explosion/and other hazard insurance on the components of the Water System that are subject to loss through fire, windstorm, hurricane, cyclone, explosion or other hazards; adequate public liability insurance; other insurance of the kinds/and amounts normally carried in the operation of similar enterprises; and in time of war, such insurance as may be available at reasonable cost against loss or damage by the risks and hazards of war in an amount or amounts equal to the fair market value of the Water System. The Issuer may, upon appropriate authorization by its Governing Authority, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of the Issuer and, to the extent herein provided, the Owners. All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the Water System or any part thereof are hereby pledged by the Issuer as security first for the Outstanding Prior Lien Bonds, then for the Bonds and any Additional Parity Bonds, and then for any Subordinated Obligations, and shall be deposited at the option of the Issuer but subject to such security limitations hereinafter described either (i) into the Capital Additions Fund, in which case, such proceeds shall be held in the Capital Additions Fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (ii) into the various Funds for the purpose of purchasing or redeeming Indebtedness in the order set forth herein.

**SECTION 9.10.** Enforcement of Collections. The Issuer will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the Water System. The Issuer will not take any action that will impair or adversely affect its rights to impose, collect and receive the Revenues as herein provided, or impair or adversely affect in any manner the pledge of the Revenues made herein or the rights of the Owners.

**SECTION 9.11.** Additions to Water System. The Issuer may add to the Water System any facilities or equipment purchased, acquired or constructed for the purpose of improving or renovating any element of the then-existing Water System. In addition, the Issuer may add to the Water System any facilities or equipment for the provision of utility-related services other than those provided by the then existing Water System so long as the Issuer shall have received an opinion of Bond Counsel that the addition to the Water System will not, in and of itself, cause the interest on any Indebtedness to be include in gross income of the Owners thereof for federal income tax purposes.

**SECTION 9.12.** Consulting Engineer. It is recognized and understood that in purchasing and accepting delivery of the Bonds herein authorized the original purchaser thereof have relied, and the Owners of the Bonds from time to time will rely, upon representations made by the Issuer that the Water System will be economically and efficiently operated so that both the Issuer and the Owners of the Bonds may benefit through the production of maximum revenues. To this end, the Issuer hereby covenants and agrees that it will retain a consulting utility engineer (in the Bond Ordinance referred to as "Consulting Engineer") for the purpose of providing the Issuer with proper engineering counsel in the operation of the Water System. The reasonable compensation as may be fixed by the Governing Authority and the payment of such compensation shall be considered a Cost of Operation and Maintenance. The Consulting Engineer retained under the provision of the Bond Ordinance may be replaced at any time by another engineer or firm of engineers appointed or retained by the Issuer. If the Consulting Engineer is ever appointed, retained or replaced as above provided, such engineer or successor engineer shall be selected with special reference to his knowledge and experience in the construction and operation of publicly owned water utility properties and shall be retained under contract at such reasonable compensation as may from time to time be agreed upon by the Governing Authority and the engineer. Upon the petition of twenty-five (25%) of the Owners of the outstanding Bonds, the Issuer shall replace the Consulting Engineer.

Said Consulting Engineer shall annually inspect the Water System and the records relating thereto, and within six (6) months after the close of the Fiscal Year he shall prepare a written report upon the operations of the Water System during the preceding year, the condition and maintenance of the properties thereof, the efficiency of the management of the property, the proper and adequate keeping of books of account and record, the adherence to budget and budgetary control provisions, the adherence to all the provisions of the Bond Ordinance, and any other things having a bearing upon the efficient and profitable operation of the Water System as the Consulting Engineer feels should be contained in the report. Said Consulting Engineer shall also submit in said report such recommendations for maintenance, insurance, operation, repairs, renewals replacements, extensions, betterments and improvements as he may deem proper. Copies of such report shall be placed on file with the Secretary of the Governing Authority. It shall also be the duty of the Consulting Engineer to advise the Issuer as to any changes or revisions of rates, fees, rents or other charges for services and facilities rendered or furnished by the Water System, and the Issuer agrees to make no revisions therein which are not approved by the Consulting Engineer except that changes or revisions of such rates, fees, rents or other charges may be made without the approval of the Consulting Engineer if the Governing Authority by ordinance adopted by two-thirds (2/3) of its member shall order such changes or revisions.

## ARTICLE X SUPPLEMENTAL BOND ORDINANCES

**SECTION 10.1.** Supplemental Ordinances Effective Without Consent of Owners. For any one or more of the following purposes and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Registrar and any rating agency which is then rating the Bonds, of a notice thereof at least fifteen (15) days prior to the adoption thereof, and thereafter with a certified copy thereof, but without any consent of Owners, shall be fully effective in accordance with its terms:

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

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

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

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this Ordinance; or

(e) to insert such provisions clarifying matters or questions arising under the Ordinance as are necessary or desirable and are not contrary to or inconsistent with the Ordinance as theretofore in effect.

**SECTION 10.2.** Supplemental Ordinances Effective With Consent of Owners. Except as provided in Section 10.1, any modification or amendment of the Ordinance or of the rights and obligations of the Issuer and of the Owners hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Bond Obligation at the time such consent is given. The Issuer shall give a notice thereof to the Registrar and any rating agency which is then rating the Bonds, at least fifteen (15) days prior to the adoption thereof, and thereafter shall furnish to said persons a certified copy thereof. No such modification or amendment shall permit a change in the terms of prepayment or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the prepayment price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy and collect rates and charges as provided herein, without the consent of the Owners of all of the Bonds then Outstanding, or shall change or modify any of the rights or obligations of either the Registrar without its written assent thereto.

**ARTICLE XI**  
**EVENTS OF DEFAULT**

**SECTION 11.1.** Events of Default. Each of the following events is hereby declared an "event of default," that is to say if:

(a) payment of principal of any Bond shall not be made when the same shall become due and payable, either at maturity (whether by acceleration or otherwise) or on required payment dates by proceedings for redemption or otherwise; or

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

(c) an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or receivers of the Issuer, the Water System, the Revenues, or any part thereof or the filing of a petition by the Issuer for relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State of Louisiana, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(d) any proceedings shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a compromise between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Revenues; or

(e) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in this Ordinance on the part of the Issuer to be performed, and such default shall continue for sixty (60) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Owners of not less than twenty-five percent (25%) of the Bond Obligation; notwithstanding the foregoing, however, an event of default shall not be deemed to have occurred under this paragraph if the default of the Issuer can't be cured within sixty (60) days of such notice but can be cured within a reasonable period of time and the Issuer in good faith institutes curative action within such sixty-day period and diligently pursues such action until the default has been corrected, or

(f) an "Event of Default" shall have occurred under the Outstanding Prior Lien Bond Ordinance while the Outstanding Prior Lien Bonds are still outstanding.

**SECTION 11.2.** Enforcement of Remedies. Upon the happening and continuance of any event of default specified in Section 11.1, then and in every such case the Owners of not less than twenty-five percent (25%) of the Bond Obligation may appoint any state bank, national bank, trust company or national banking association qualified to transact business in Louisiana to serve as trustee for the benefit of the Owners of all Bonds then outstanding (the "Trustee"). Notice of such appointment, together with evidence of the requisite signatures of the Owners of twenty-five percent (25%) of the Bond Obligation and the trust instrument under which the Trustee shall have agreed to serve shall be filed with the Issuer and the Trustee and notice of such appointment shall be filed in the manner required by the Continuing Disclosure Certificate approved in Section 7.4 hereof. After the appointment of a Trustee hereunder, no further Trustees may be appointed; however, the Owners of a majority of the Bond Obligation may remove the Trustee initially appointed and appoint one or more successors at any time. If the Event of Default for which the Trustee was appointed is cured or waived pursuant to this Article, the appointment of the Trustee shall terminate with respect to such default.

After a Trustee has been appointed pursuant to the foregoing, the Trustee may proceed, and upon the written request of Owners of twenty-five percent (25%) of the Bond Obligation shall proceed, to protect and enforce the rights of the Owners under the laws of the State of Louisiana, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against the Issuer under this Ordinance the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for principal and interest or otherwise under any provisions of this Ordinance or of such Bonds and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds, without prejudice to any other right or remedy of the Trustee or of the Owners, and to recover and enforce any judgment or decree against the Issuer, but solely as provided herein and in such Bonds, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from moneys in the Receipts Fund, and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

**SECTION 11.3.** Effect of Discontinuing Proceedings. In case any proceeding taken by the Trustee or any Owner on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Owner, then and in every such case the Issuer, the Trustee and Owners shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

**SECTION 11.4.** Directions to Trustee as to Remedial Proceedings. Anything in this Ordinance to the contrary notwithstanding, the Owners of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Ordinance, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

**SECTION 11.5.** Pro Rata Application of Funds. Anything in this Ordinance to the contrary notwithstanding, if at any time the moneys in the Sinking Fund shall not be sufficient to pay the principal of or the interest on the Bonds as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied first to the payment of principal and interest on the Outstanding Prior Lien Bonds and to make any other payments due under the Outstanding Prior Lien Bond Ordinance, if still outstanding, and second to the payment of interest and then principal of the Bonds and any Additional Parity Bonds, and third to make any other payments required under this Ordinance or any Additional Parity Bond Ordinance, and fourth to make any payments on Subordinated Obligations, and fifth for any other lawful corporate purposes of the Issuer as may be directed by the Issuer.

**SECTION 11.6.** Restrictions on Actions by Individual Owners. No Owner shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any obligation hereunder or for any other remedy hereunder unless such Owner previously shall have given to the Issuer written notice of the event of default on account of which suit, action or proceeding is to be taken, and unless the Owners of not less than twenty-five percent (25%) of the Bond Obligation shall have made written request of the Issuer after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded the Issuer a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to the Issuer reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and the Issuer shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Issuer, to be conditions precedent to the execution of the powers and trusts of this Ordinance or for any other remedy hereunder. It is understood and intended that no one or more Owners of the Bonds hereunder secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners, and that any individual rights of action or any other right given to one or more of such Owners by law are restricted by this Ordinance to the rights and remedies herein provided.

Nothing contained herein, however, shall affect or impair the right of any Owner, individually, to enforce the payment of the principal of and interest on his Bond or Bonds at and after the maturity thereof, at the time, place, from the source and in the manner provided in this Ordinance.

**SECTION 11.7.** Appointment of a Receiver. Upon the happening and continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Owners under this Ordinance, the Trustee shall be entitled, as a matter of right, without regard to the solvency of the Issuer, to the appointment of a receiver or receivers of the Water System, pending such proceedings, with such powers as the court making such appointments shall confer, whether or not the Revenues, the Net Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Bonds outstanding hereunder.

## **ARTICLE XII CONCERNING FIDUCIARIES**

**SECTION 12.1.** Escrow Agent; Appointment and Acceptance of Duties. The Bank of New York Mellon Trust Company, N.A., in Baton Rouge, Louisiana, is hereby appointed Escrow Agent. The Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Ordinance by executing and delivering the Escrow Agreement. The Escrow Agent is authorized to file, on behalf of the Issuer, subscription forms for any Government Securities required by the Escrow Agreement. A successor to the Escrow Agent may be designated in the manner set forth in the Escrow Agreement.

**SECTION 12.2.** Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Bond Ordinance. The designation of The Bank of New York Mellon Trust Company, N.A., in Baton Rouge, Louisiana, as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Ordinance by executing and delivering an acceptance of its rights, duties and obligations as Paying Agent set forth herein in form and substance satisfactory to the Issuer.

**SECTION 12.3.** Successor Paying Agent. Any successor Paying Agent shall be a trust company or bank in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, with combined capital surplus and undivided profits of at least \$50,000,000. No resignation or removal of the Paying Agent shall become effective until a successor Paying Agent has been appointed and has accepted its duties.

## **ARTICLE XIII SALE OF BONDS**

**SECTION 13.1.** Sale of Bonds. The Bonds are hereby authorized to be sold to the Underwriter, and the Parish President is hereby authorized to execute a Bond Purchase Agreement in substantially the form attached hereto as Exhibit D. The Parish President is hereby authorized, empowered and directed to execute the Bond Purchase Agreement on behalf of the Issuer and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by them necessary or advisable to implement this Bond Ordinance or to facilitate the sale of the Bonds and to cause the bonds to be delivered to the Underwriter as provided in the Bond Purchase Agreement.

**SECTION 13.2.** Official Statement. The Issuer hereby approves the Preliminary Official Statement dated February 3, 2015, pertaining to the Bonds, as submitted to the Issuer, and hereby ratifies its prior use in connection with the sale of the Bonds. The Issuer further approves the form and content of the final Official Statement and hereby authorizes and directs the execution by the Chief Financial Officer of the Parish of St. Charles, State of Louisiana, and the Secretary and Chairman of the Governing Authority and delivery of such final Official Statement to the Underwriter for use in connection with the public offering of the Bonds.

## **ARTICLE XIV REDEMPTION OF REFUNDED BONDS**

**SECTION 14.1.** Call for Redemption. The Refunded Bonds maturing July 1, 2018, and thereafter, as more fully described in Exhibit A hereto, are hereby called for redemption on July 1, 2017, at the principal amount of each Refunded Bond so redeemed, together with accrued interest to the call date, in compliance with the ordinance authorizing their issuance.

**SECTION 14.2.** Notice of Redemption. In accordance with ordinance authorizing the issuance of the Refunded Bonds, a notice of redemption in substantially the form attached hereto as Exhibit E, shall be given by the paying agent by mailing a copy of the redemption notice by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the said paying agent of the Refunded Bonds, and to the bond insurer for the Refunded Bonds. Said paying agent shall also give notice to the holders of the July 1, 2017, maturity of the Refunded Bonds that such maturity shall be defeased as of the Delivery Date.

## **ARTICLE XV MISCELLANEOUS**

**SECTION 15.1.** Defeasance. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Bond Ordinance, then the pledge of the money, securities, and funds pledged under this Bond Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners of the Bonds shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Bond Ordinance to the Issuer.

(b) Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased using Defeasance Obligations pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

**SECTION 15.2.** Authorization of Municipal Bond Debt Service Reserve Insurance Policy. This Governing Authority hereby makes the findings required by Section 1429 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, of the benefit from entering into contracts with Assured Guaranty Municipal Corp. (the "Insurer") for the acquisition of a Municipal Bond Debt Service Reserve Insurance Policy (the "Insurance Policy") for the Bonds. The Parish President's execution of the Commitment Letter attached hereto as Exhibit F is hereby approved and accepted, and the Parish President is further authorized to execute such other documents as may be required by the Insurer in connection with the Insurance Policy. The provisions of Exhibit F hereof with respect to the Insurance Policy are hereby adopted with respect to the Bonds, and shall be fully incorporated herein.

**SECTION 15.3.** Parties Interested Herein. Nothing in the Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Registrar and the Owners any right, remedy or claim under or by reason of the Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar and the Owners.

**SECTION 15.4.** Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(a) the fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority;

(b) the ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books of the Paying Agent.

(c) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Paying Agent in accordance therewith.

**SECTION 15.5.** Registrar. The Issuer will at all times maintain a Registrar for the performance of the duties hereunder. The initial Registrar pursuant to this Ordinance is the Paying Agent. This Governing Authority reserves the right to appoint a successor Registrar by (1) filing with the person then performing such function a certified copy of an ordinance appointing a successor and (2) causing notice to be given to each Owner. Every successor Registrar shall at all times be a corporation organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. In appointing a successor Registrar, this Governing Authority will authorize the Executive Officers to execute an appropriate agreement with the successor Registrar or and on behalf of the Issuer in such form as may be satisfactory to the Executive Officers, setting forth the duties and obligations of the successor Registrar.

**SECTION 15.6.** No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

**SECTION 15.7.** Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

**SECTION 15.8.** Successors and Assigns. Whenever in this Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Ordinance contained by or on behalf of the Issuer shall bind and ensure to the benefit of its successors and assigns whether so expressed or not.

**SECTION 15.9.** Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or Owners thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the Owner or Owners of the Refunded Bonds.

**SECTION 15.10.** Severability. In case any one or more of the provisions of the Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Ordinance or of the Bonds, but the Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of the Ordinance which validates or makes legal any provision of the Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to the Ordinance and to the Bonds.

**SECTION 15.11.** Preliminary Resolution. The Bonds issued hereunder are the same Bonds authorized pursuant to Resolution No. 6124 (the "Resolution") adopted by the Governing Authority on November 17, 2014. Any terms of the Resolution in conflict with the terms hereof shall be amended to the extent of such conflict to comply with the terms of this Ordinance.

**SECTION 15.12.** Outstanding Prior Lien Bond Ordinance. So long as the Outstanding Prior Lien Bonds remain outstanding the terms of the Outstanding Prior Lien Bond Ordinance shall remain in full force and effect and the Issuer covenants and agrees to comply with the provisions thereof.

**SECTION 15.13.** Publication of Ordinance. This Bond Ordinance shall be published one time in the official journal of the Issuer; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication.

**SECTION 15.14.** Post-Issuance Compliance. The Executive Officers and/or their designees are directed to establish written procedures to assist the Issuer in complying with various State and Federal statutes, rules and regulations applicable to the Bonds and are further authorized to

take any and all actions as may be required by said written procedures to ensure continued compliance with such statues, rules and regulations throughout the term of the Bonds..

**SECTION 15.15.** Execution of Documents. In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

**SECTION 15.16.** Effective Date. This ordinance shall become effective five days after publication in the official journal.

The forgoing ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: SCHEXNAYDRE, LEWIS, WILSON, WOODRUFF, BENEDETTO, HOGAN, COCHRAN, FLETCHER, FISHER-PERRIER

NAYS: NONE

ABSENT: NONE

And the ordinance was declared adopted the 9<sup>th</sup> day of February, 2015, to become effective five (5) days after publication in the Official Journal.

CHAIRMAN: [Signature]

SECRETARY: [Signature]

DLVD/PARISH PRESIDENT: 2/10/15

APPROVED:  DISAPPROVED:

PARISH PRESIDENT: [Signature]

RETD/SECRETARY: 2/10/15

AT: 3:30pm RECD BY: [Signature]

15-2-1  
Original needs  
to be signed by  
Chair