

1 Introduced June 22, 2010, by Councilman  
2 Hicks, seconded by Councilman Cusimano (by  
3 request of Administration)

4 **Item No. 10-06-2862**

5  
6 **NOTICE OF INTRODUCTION OF ORDINANCE AND PUBLIC HEARING**

7  
8 NOTICE IS HEREBY GIVEN that the following entitled ordinance was  
9 introduced in writing in the form required for adoption at a meeting of the City Council  
10 of the City of Slidell, State of Louisiana, on June 22, 2010, and laid over for  
11 publication of notice:

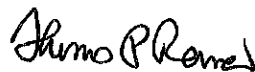
12 **ORDINANCE NO.**

13 An ordinance providing for the issuance and sale of not to exceed One Million  
14 Ten Thousand Dollars (\$1,010,000) of Utilities Revenue Refunding Bonds,  
15 Series 2010 (the "Bonds"), of the City of Slidell, State of Louisiana (the  
16 "Issuer"); prescribing the form, fixing the details and providing for the payment  
17 of principal of and interest on said Bonds and for the rights of the owners  
18 thereof; providing for the use of the proceeds of the Bonds to currently refund  
19 the Issuer's outstanding Utilities Revenue Bonds, Series 1996, dated in  
20 connection with the sale and issuance of the Series 1996 Bonds; approving  
21 the Official Statement prepared in connection with the issuance of the Bonds;  
22 authorizing a Notice of Redemption; providing for the employment of Bond  
23 Counsel and Underwriter; and providing for other matters in connection  
24 therewith.

25 NOTICE IS HEREBY FURTHER GIVEN that the City Council of said City  
26 will meet on Tuesday, July 13, 2010, at 6:30 p.m., at the Slidell City Council  
27 Chambers located in the Slidell City Council and Administrative Building at 2045  
28 Second Street, Slidell, Louisiana, at which time there will be a public hearing on the  
29 adoption of the aforesaid ordinance.

30   
Lionel Hicks

31 President of the Council  
32 Councilman, District A

33  
34 

35 Thomas P. Reeves  
36 Council Administrator

37  
38 (As per rules of the City Council, copies of the proposed ordinance shall be made available  
39 for public inspection in the Office of the City of Slidell City Council.)

1 Introduced June 22, 2010, by Councilman  
2 Hicks, seconded by Councilman Cusimano (by  
3 request of Administration)

4 **Item No. 10-06-2862**

5 **ORDINANCE NO. 3579**

6  
7 An ordinance providing for the issuance and sale of not to exceed One Million  
8 Ten Thousand Dollars (\$1,010,000) of Utilities Revenue Refunding Bonds, Series 2010  
9 (the "Bonds"), of the City of Slidell, State of Louisiana (the "Issuer"); prescribing the form,  
10 fixing the details and providing for the payment of principal of and interest on said Bonds  
11 and for the rights of the owners thereof; providing for the use of the proceeds of the Bonds  
12 to currently refund the Issuer's outstanding Utilities Revenue Bonds, Series 1996, dated in  
13 connection with the sale and issuance of the Series 1996 Bonds; approving the Official  
14 Statement prepared in connection with the issuance of the Bonds; authorizing a Notice of  
15 Redemption; providing for the employment of Bond Counsel and Underwriter; and providing  
16 for other matters in connection therewith.

17 WHEREAS, pursuant to Chapter 10, Part I, Subpart C of Title 33 of the  
18 Louisiana Revised Statutes of 1950, the City of Slidell, State of Louisiana (the "Issuer")  
19 now owns and operates a combined waterworks system and sewer system as a single  
20 revenue producing public utility (the "Utilities System"); and

21 WHEREAS, The Issuer held an election on September 21, 1995, at which  
22 election the issuance of \$6,400,000 of revenue bonds was approved by the electorate of  
23 the Issuer to be issued for the purpose of constructing and acquiring improvements and  
24 extensions to the Utilities System, payable solely from the revenues of the Utilities System;  
25 and

26 WHEREAS, on April 10, 1996, the Issuer issued Two Million Five Hundred  
27 Thousand Dollars (\$2,500,000) principal amount of its Utilities Revenue Bonds, Series  
28 1996 currently outstanding in the amount of \$1,055,000 (the "Series 1996 Bonds"), for the  
29 purpose of constructing and acquiring improvements and extensions to the Utilities  
30 System, providing for a reserve and paying the costs of issuance thereof; and

31 WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised  
32 Statutes of 1950, as amended (the "Refunding Act"), the Issuer is authorized to issue the  
33 Bonds to currently refund the Series 1996 Bonds; and

34 WHEREAS, the Issuer, acting through the Slidell City Council (the "Governing  
35 Authority") has found and determined that it would be financially advantageous to the  
36 Issuer to currently refund the outstanding Series 1996 Bonds, and would effect debt  
37 service savings to the Issuer; and

38 WHEREAS, in connection with the issuance of the Bonds, it is necessary to  
39 provide for the call for redemption of the Series 1996 Bonds on \_\_\_\_\_, 2010,

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4 pursuant to a Notice of Redemption substantially in the form attached hereto as **Exhibit A**;  
5 and

6 WHEREAS, the Issuer intends to fix the details of the Bonds; and

7  
8 WHEREAS, it is the intention of the Issuer that the Bonds authorized herein  
9 be secured by and payable solely from the income and revenues to be derived from the  
10 operation of the Utilities System, after provision has been made for payment therefrom of  
11 the reasonable and necessary expenses of administration, operation and maintenance of  
12 the Utilities System (the "Net Utilities Revenues"); and

13 WHEREAS, the Bonds will be issued on a parity with the Issuer's Utility  
14 Revenue Bonds, Series 1996A, of which \$1,785,000 is currently outstanding and its Utility  
15 Revenue Bonds, Series 2004, of which \$3,125,000 is currently outstanding, which are also  
16 secured by and payable from Net Utilities Revenues.

17 NOW, THEREFORE, BE IT ORDAINED by the Slidell City Council, acting as  
18 governing authority of the City of Slidell, State of Louisiana, that:

19  
20 **ARTICLE I**  
21 **DEFINITIONS AND INTERPRETATION**

22 SECTION 1.1. Definitions. The following terms shall have the following meanings  
23 unless the context otherwise requires:

24 **"Additional Parity Obligations"** means any additional notes, bonds or debt issued  
25 pursuant to Section 7.3 hereof and secured and payable from Net Utilities Revenues on a  
26 parity with the Bonds.

27 **"Average Annual Debt Service"** means, as of any calculation date, the amount  
28 obtained by computing the aggregate amount of annual debt service on the Bonds for the  
29 then current and all succeeding Fiscal Years with respect to the Bonds outstanding at such  
30 calculation date and dividing that amount by the number of Fiscal Years to the last maturity  
31 of any Bonds outstanding at such calculation date.

32 **"Bond"** or **"Bonds"** means any or all of the Utilities Revenue Refunding Bonds,  
33 Series 2010, of the Issuer, issued pursuant to this Bond Ordinance, as the same may be  
34 amended from time to time, whether initially delivered or issued in exchange for, upon  
35 transfer of, or in lieu of any previously issued Bond.

36 **"Bondholder"**, **"Registered Owner"**, or **"Owner"** means the Person reflected as  
37 registered owner of any of the Bonds on the registration books maintained by the Paying  
38 Agent.  
39

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4 **"Bond Counsel"** means an attorney or firm of attorneys whose experience in  
5 matters relating to the issuance of obligations by states and their political subdivisions is  
6 nationally recognized, currently McGlinchey Stafford PLLC.

7 **"Bond Obligation"** means, as of the date of computation, the principal amount of  
8 the Bonds then Outstanding.

9  
10 **"Bond Ordinance"** means this Ordinance, as further amended and supplemented  
11 as herein provided.

12 **"Bond Year"** means the one-year period ending on the principal payment date on  
13 the Bonds (April 1) of each year.

14  
15 **"Business Day"** means a day of the year other than a day on which banks located  
16 in New York, New York and the cities in which the principal offices of the Paying Agent are  
17 located are required or authorized to remain closed and on which the New York Stock  
Exchange is closed.

18  
19 **"Code"** means the Internal Revenue Code of 1986, as amended.

20  
21 **"Costs of Issuance"** means all items of expenses, directly or indirectly payable or  
22 reimbursable and related to the authorization, sale and issuance of the Bonds, including  
23 but not limited to printing costs, costs of preparation and reproduction of documents,  
24 official statements, filing and recording fees, initial fees and charges of any fiduciary, legal  
25 fees and charges, fees and disbursements of consultants and professionals, costs of credit  
26 ratings, fees and charges for preparation, execution, transportation and safekeeping of the  
27 Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the  
Bonds, if any, and any other cost, charge or fee in connection with the original issuance of

28  
29 **"Debt Service"** for any period means, as of the date of calculation, an amount  
30 equal to the sum of (i) interest payable during such period on Bonds and (ii) the principal  
31 amount of Bonds which mature during any such period.

32 **"Defeasance Obligations"** means investments described in paragraph (1) of the  
33 definition of Permitted Investments contained herein.

34 **"Executive Officers"** means, collectively, the Mayor of the Issuer and the  
35 President, Vice President and Council Administrator of the Governing Authority.

36  
37 **"Fiscal Year"** means the one-year period commencing on July 1 of one year and  
38 ending on June 30 of the following year, or such other one-year period as may be  
39 designated by the Governing Authority as the fiscal year of the Issuer.

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4 **"Governing Authority"** means the Slidell City Council, the governing authority of  
5 the Issuer, or its successor in function.

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

11 **"Interest Payment Date"** means April 1 and October 1 of each year, commencing  
12 October 1, 2010.

13 **"Issuer"** means the City of Slidell, State of Louisiana.

14 **"Maximum Annual Debt Service"** means, for any Bond Year, the highest amount  
15 of principal and interest payable on the Bonds for any such period.

16 **"Net Utilities Revenues"** means the income and revenues to be derived from the  
17 operation of the Utilities System, after provision has been made for payment therefrom of  
18 the reasonable and necessary expenses of administration, operation and maintenance of  
19 the Utilities System.

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

- 22 (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying  
23 Agent for cancellation;
- 24 (b) Bonds in exchange for or in lieu of which other Bonds have been registered  
25 and delivered pursuant to the Bond Ordinance; and
- 26 (c) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have  
27 been paid as provided in the Bond Ordinance or by law.

28 **"Owner" or "Owners"** means the Person reflected as registered owner of any of  
29 the Bonds on the registration books maintained by the Paying Agent.

30 **"Parity Bonds"** means: (i) the Issuer's Utility Revenue Bonds, Series 1996A of  
31 which \$1,785,000 is currently outstanding, and (ii) its Utility Revenue Bonds, Series 2004  
32 of which \$1,325,000 is currently outstanding.

33 **"Paying Agent"** means Regions Bank, in the City of Baton Rouge, Louisiana, as  
34 paying agent and registrar hereunder, until a successor Paying Agent shall have become  
35 such pursuant to the applicable provisions of this Bond Ordinance, and thereafter "Paying  
36 Agent" shall mean such successor Paying Agent.

4 **"Permitted Investments" means:**

- 5
- 6 (i) any bonds or other obligations which as to principal and interest constitute  
7 direct obligations of the United States of America, including obligations of  
8 any of the Federal agencies set forth in clause (ii) below to the extent  
9 unconditionally guaranteed by the United States of America and any  
10 certificates or any other evidences of an ownership interest in obligations or  
11 in specified portions thereof (which may consist of specified portions of the  
12 interest thereon) of the character described in this clause (i) such as those  
13 securities commonly known as CATS, TIGRS and/or STRIPS;
- 14 (ii) bonds, debentures or other evidences of indebtedness issued by the Private  
15 Export Funding Corporation, Federal Home Loan Bank System, Federal  
16 Home Loan Mortgage Corporation, Federal National Mortgage Association  
17 and Student Loan Marketing Association;
- 18 (iii) certificates of deposit, whether negotiable or nonnegotiable, issued by any  
19 bank or trust company organized under the laws of the State or any national  
20 banking association having its principal office in the State (including the  
21 Paying Agent or the Escrow Agent) which is a member of the Federal  
22 Deposit Insurance Corporation and which are secured at all times by  
23 collateral described in clause (i) above;
- 24 (iv) certificates of deposit, savings accounts, deposit accounts or money market  
25 deposits of any bank or trust company organized under the laws of the State  
26 or any national banking association having an office in the State (including  
27 the Paying Agent and the Escrow Agent) which are fully insured by the  
28 Federal Deposit Insurance Corporation;
- 29 (v) shares of mutual or trust fund institutions which are registered with the  
30 Securities and Exchange Commission under the Securities Act of 1933 and  
31 the Investment Company Act of 1940, and which have underlying  
32 investments consisting solely of and limited to obligations described in (i)  
33 above;
- 34 (vi) repurchase agreements which are fully collateralized by securities described  
35 in (i) and (ii) above, provided that (a) each repurchase agreement requires  
36 collateral levels and provisions concerning valuation of the obligations that  
37 constitute the collateral for such repurchase agreements acceptable to the  
38 Issuer; (b) the obligations that constitute the collateral for a repurchase  
39 agreement are required to be in the possession of the Issuer or its agent, (c)  
the party delivering the obligations which constitute the collateral for a  
repurchase agreement has good and marketable title to such obligations,  
such obligations are free from any liens, encumbrances or claims of third  
parties, and such obligations are accompanied by such certificates,

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4 endorsements or such other instruments as may be required by the Issuer or  
5 its agent to register such obligations in the name of the Issuer or its agent  
6 and (d) each repurchase agreement provides the Issuer or its agent with a  
7 perfected security interest in the obligations which constitute the collateral for  
8 such repurchase agreement; and

- 9 (vii) bonds issued by any state or a political subdivision or public corporation of  
10 any state, the interest on which is exempt from federal income taxes,  
11 provided that such bonds are rated at the time the investment is made by  
12 Moody's Investors Service and Standard & Poor's Corporation in one of the  
13 two highest rating categories.

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

17 **"Record Date"** means, with respect to an Interest Payment Date, the close of  
18 business on the fifteenth (15th) day of the calendar month next preceding such Interest  
19 Payment Date, whether or not such day is a Business Day.

20 **"Redemption Price"** means, when used with respect to a Bond, the principal  
21 amount thereof plus the applicable premium, if any, payable upon redemption thereof  
22 pursuant to the Bond Ordinance.

23 **"Refunding Act"** means the applicable provisions of Chapter 14-A of Title 39 of the  
24 Louisiana Revised Statutes of 1950, as amended.

25 **"Reserve Fund Requirement"** means, the lesser of (i) 10% of the proceeds of the  
26 Bonds, (ii) 125% of the Average Annual Debt Service on the Bonds, or (iii) 100% of  
27 Maximum Annual Debt Service with respect to the Bonds.

28 **"Series 1996 Bonds"** means the Issuer's Two Million Five Hundred Thousand  
29 Dollars (\$2,500,000) of Utilities Revenue Bonds, Series 1996, currently outstanding in the  
30 amount of \$1,055,000, which are being currently refunded with the proceeds of the Bonds.

31 **"State"** means the State of Louisiana.

32 **"Underwriter"** means Crews & Associates, Inc., Little Rock, Arkansas.

33 **"Utilities System"** means the revenue producing public utility comprised of the  
34 combined waterworks system and sewer system of the Issuer, presently servicing  
35 substantially all of the potable water and sewerage users in the Issuer, and any future  
36 additions thereto, as said systems now exist and as the same may be improved, extended  
37 or supplemented from any source while any of the Bonds remain outstanding, including all  
38 real estate, personal and intangible properties, contracts, franchises, leases and choices in  
39

4 action, and including specifically all properties now or hereafter operated by the Issuer  
5 under lease or agreement with any other individual, partnership or corporation, public or  
6 private, as a part of the Utilities System, whether lying within or without the boundaries of  
7 the Issuer.

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

14 **ARTICLE II**  
15 **AUTHORIZATION AND ISSUANCE OF BONDS**

16 SECTION 2.1. Authorization of Bonds. Under the authority of the Refunding Act,  
17 there is hereby authorized the issuance of not to exceed One Million Ten Thousand  
18 Dollars (\$1,010,000) of the Issuer's Utility Revenue Refunding Bonds, Series 2010 for the  
19 purpose of: (i) currently refunding the Series 1996 Bonds, (ii) establishing a debt service  
20 reserve fund and (iii) paying the costs of issuance of the Bonds.

21 SECTION 2.2. Bond Ordinance to Constitute Contract. In consideration of the  
22 purchase and acceptance of the Bonds by those who shall own the same from time to  
23 time, the provisions of this Bond Ordinance shall be a part of the contract of the Issuer with  
24 the Owners of the Bonds and shall be deemed to be and shall constitute a contract  
25 between the Issuer and the Owners from time to time of the Bonds. The provisions,  
26 covenants and agreements herein set forth to be performed by or on behalf of the Issuer  
27 shall be for the equal benefit, protection and security of the Owners of any and all of the  
28 Bonds, each of which Bonds, regardless of the time or times of its issue or maturity, shall  
29 be of equal rank without preference, priority or distinction over any other thereof except as  
expressly provided in the Bond Ordinance.

30 SECTION 2.3. Obligation of Bonds. The Bonds shall be payable as to both  
31 principal and interest solely from the Net Utilities Revenues, pursuant to the Constitution  
32 and laws of the State of Louisiana. The Net Utilities Revenues are hereby irrevocably and  
33 irrevocably pledged and dedicated in an amount sufficient for the payment of the Bonds in  
34 principal, premium, if any, and interest as they shall respectively become due and payable,  
35 and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Net  
36 Utilities Revenues shall be set aside in a separate fund, as hereinafter provided, and shall  
37 be and remain pledged for the security and payment of the Bonds, and any Additional  
38 Parity Obligations issued pursuant to Section 7.3 hereof, in principal, premium, if any, and  
39 interest and for all other payments provided for in this Bond Ordinance until such Bonds  
shall have been fully paid and discharged.



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4 SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the  
5 Refunding Act, there is hereby authorized the issuance of not to exceed One Million Ten  
6 Thousand Dollars (\$1,010,000) principal amount of Bonds of the Issuer to be designated  
7 "Utilities Revenue Refunding Bonds, Series 2010, of the City of Slidell, State of Louisiana,"  
8 for the purposes set forth in Section 2.1 above. The Bonds shall be in substantially the  
9 form set forth in **Exhibit B** hereto, with such necessary or appropriate variations,  
10 omissions and insertions as are required or permitted by the Refunding Act and this Bond  
Ordinance.

11 SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds shall be  
12 issued as fully registered bonds without coupons in the denominations of \$5,000 principal  
13 amount or any integral multiple thereof within a single maturity, and shall be numbered R-1  
14 upward. The Bonds shall be dated the date of their issuance, shall bear interest from the  
15 date thereof or from the most recent Interest Payment Date to which interest has been  
16 paid or duly provided for, payable on each Interest Payment Date, commencing October 1,  
17 2010, at a rate not to exceed 4.375% per annum (using a year of 360 days comprised of  
18 twelve (12) 30-day months) and shall mature on April 1, in the years and in the principal  
19 amounts as set forth in the Bond Purchase Agreement executed between the Issuer and  
20 the initial purchaser of the Bonds, within the authorization and parameters set forth in this  
Bond Ordinance.

21 SECTION 2.6. The principal of ad premium, if any, on the Bonds are payable in  
22 such coin or currency of the United States of America as at the time of payment is legal  
23 tender for payment of public and private debts at the corporate trust office of the Paying  
24 Agent in Baton Rouge, Louisiana upon presentation and surrender thereof. Interest on the  
25 Bonds is payable by check mailed on or before the Interest Payment Date by the Paying  
26 Agent to the Owner thereof (determined at the close of business on the Record Date) at  
27 the address of such Owner as it appears on the registration books of the Paying Agent  
28 maintained for such purpose. Except as otherwise provided in this Section, Bonds shall  
29 bear interest from date thereof or from the most recent Interest Payment Date to which  
30 interest has been paid or duly provided for, as the case may be, provided, however, that if  
31 and to the extent that the Issuer shall default in the payment of the interest on any Bonds  
32 due on any Interest Payment Date, then all such Bonds shall bear interest from the most  
33 recent Interest Payment Date to which interest has been paid on the Bonds, or if no  
34 interest has been paid on the Bonds, from their dated date. The person in whose name  
35 any Bond is registered at the Record Date with respect to an Interest Payment Date shall  
36 in all cases be entitled to receive the interest payable on such Interest Payment Date  
37 (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.

38 SECTION 2.7. Parity Bonds. The Bonds are being issued on a parity with the  
39 Parity Bonds, and the Bonds shall rank equally with and enjoy complete parity of lien with  
the Parity Bonds on all revenues or the Net Utilities Revenues. The Issuer does hereby

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4 find, determine and declare that it has complied or will comply prior to the delivery of the  
5 Bonds, with all terms and conditions set forth in the ordinances governing the issuance of  
6 the Parity Bonds, with respect to authorizing the issuance of the Bonds on a parity with the  
7 Parity Bonds.

8 **ARTICLE III**  
9 **GENERAL TERMS AND PROVISIONS OF THE BONDS**

10 SECTION 3.1. Exchange of Bonds; Persons Treated as Owners. The Issuer shall  
11 cause books for the registration of ownership of the Bonds and for the registration of  
12 transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at  
13 its corporate trust office in Baton Rouge, Louisiana, and the Paying Agent is hereby  
14 constituted and appointed the registrar for the Bonds.

15 Upon surrender for registration of transfer of any Bond, the Paying Agent shall  
16 register and deliver in the name of the transferee or transferees one or more new fully  
17 registered Bonds of authorized denominations of the same maturity and like aggregate  
18 principal amount.

19 At the option of the Bondholder, Bonds may be exchanged for other Bonds of  
20 authorized denominations of the same maturity and like aggregate principal amount, upon  
21 surrender of the Bonds to be exchanged at said office. Whenever any Bonds are so  
22 surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor  
23 the Bond or Bonds which the Bondholder making the exchange shall be entitled to receive.  
24 All Bonds presented for registration of transfer or exchange shall be accompanied by a  
25 written instrument or instruments of transfer in form and with a guaranty of signature  
26 satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly  
27 authorized in writing. The Paying Agent may require payment by the person requesting an  
28 exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other  
29 governmental charge that may be imposed in relation thereto and any other expenses  
30 (including the fees and expenses of the Paying Agent) connected therewith. The Issuer  
31 and the Paying Agent shall not be required (a) to issue, register the transfer of or  
32 exchange any Bond during a period beginning at the close of business on a Record Date  
33 or any date of selection of Bonds to be redeemed and ending at the close of business on  
34 the Interest Payment Date or day on which the applicable notice of redemption is given or  
35 (b) to register the transfer of or exchange any Bond so selected for redemption in whole or  
36 in part. All Bonds delivered upon any registration of transfer or exchange of Bonds shall  
37 be valid obligations of the Issuer, evidencing the same debt and entitled to the same  
38 benefits under this Bond Ordinance as the Bonds surrendered. Prior to due presentment  
39 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.

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4 SECTION 3.2 Mutilated, Destroyed, Stolen or Lost Bonds. If (1) any mutilated  
5 Bond is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive  
6 evidence to their satisfaction of the destruction, loss or theft of any Bond, and (2) there is  
7 delivered to the Issuer and the Paying Agent such security or indemnity as may be  
8 required by them to save each of them harmless, then, in the absence of notice to the  
9 Issuer or the Paying Agent that such Bond has been acquired by a bona fide purchaser,  
10 the Issuer shall execute, and upon its request the Paying Agent shall register and deliver,  
11 in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new  
12 Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a  
13 number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or  
14 stolen Bond has become or is about to become due and payable, the Issuer in its  
15 discretion may, instead of issuing a new Bond, pay such Bond. Upon the issuance of any  
16 new Bond under this Section, the Issuer may require the payment by the Owner of a sum  
17 sufficient to cover any tax or other governmental charge that may be imposed in relation  
18 thereto and any other expenses (including the fees and expenses of the Paying Agent)  
19 connected therewith. Every new Bond issued pursuant to this Section in lieu of any  
20 mutilated, destroyed, lost or stolen Bond shall constitute a replacement of the prior  
21 obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall  
22 be at any time enforceable by anyone and shall be entitled to all the benefits of this  
23 Ordinance equally and ratably with all other outstanding Bonds. Any additional procedures  
24 set forth in the Agreement or authorized in this Ordinance, shall also be available with  
25 respect to mutilated, destroyed, lost or stolen Bonds. The provisions of this Section are  
26 exclusive and shall preclude (to the extent lawful) all other rights and remedies with  
27 respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

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

32 SECTION 3.4. Execution. The Bonds shall be executed in the name and on  
33 behalf of the Issuer by the manual or facsimile signature of the Mayor and attested by an  
34 Executive Officer of the Issuer, and the corporate seal of the issuer (or a facsimile thereof)  
35 shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case  
36 any one or more of the officers who shall have signed or sealed any of the Bonds shall  
37 cease to be such officer before the Bonds so signed and sealed shall have been actually  
38 delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be  
39 issued as if the person who signed or sealed such Bonds had not ceased to hold such  
office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper  
signatures their respective facsimile signatures appearing on the Bonds or any legal  
opinion certificate thereon, and the Issuer may adopt and use for that purpose the  
facsimile signature of any person or persons who shall have been such officer at any time  
on or after the date of such Bond, notwithstanding that at the date of such Bond such  
person may not have held such office or that at the time when such Bond shall be  
delivered such person may have ceased to hold such office.

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

11 **ARTICLE IV**  
12 **APPLICATION OF PROCEEDS**

13 SECTION 4.1. Application of Bond Proceeds.

- 14 (a) Upon delivery of the Bonds and receipt of the proceeds by the Paying Agent,  
15 proceeds of the Bonds in an amount equal to the Reserve Fund  
16 Requirement shall be deposited to the Reserve Fund and held in accordance  
17 with Section 5.3(c) below.
- 18 (b) After making the deposit described in (a) and paying the costs of issuance of  
19 the Bonds, the remaining proceeds of the Bonds shall be used by the Paying  
20 Agent to currently refund the outstanding Series 1996 Bonds in full on the  
21 closing date.

22 **ARTICLE V**  
23 **PAYMENT OF BONDS; DISPOSITION OF FUNDS**

24 SECTION 5.1. Deposit of Funds With Paying Agent. The Issuer covenants that it  
25 will deposit or cause to be deposited with the Paying Agent from the moneys derived from  
26 the operation of the Utilities System or other funds available for such purpose, at least  
27 three (3) Business Days in advance of each Interest Payment Date, funds fully sufficient to  
28 pay promptly the principal, premium, if any, and interest so falling due on such date.

29 SECTION 5.2. Security for Bond Funds. All of the income and revenues to be  
30 earned from the operation of the Utilities System shall be deposited daily as provided in  
31 Section 5.3 hereof in the Utilities System Fund, which fund shall be established and  
32 maintained separate and apart from all other funds of the Issuer. The Sinking Fund and  
33 the Reserve Fund (both as hereinafter defined) shall be held by the Issuer's fiscal agent  
34 bank as special trust funds for the purposes provided in this Bond Ordinance, and all other  
35 funds shall be held by said bank as special deposits for the purposes set forth in this Bond  
36 Ordinance, and subject to such reasonable instructions as the Issuer may give in writing to  
37 the depository bank. The Owners are hereby granted a lien on all funds established  
38 pursuant to the requirements of this Bond Ordinance until applied in the manner herein  
39 provided.

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4 SECTION 5.3. Funds and Accounts. In order that the principal of, premium, if  
5 any, and the interest on the Bonds will be paid in accordance with their terms and for the  
6 other objects and purposes hereinafter provided, the Issuer further covenants that all  
7 income and revenues of every nature derived from the operation of the Utilities System  
8 shall be deposited daily as the same may be collected in a separate and special bank  
9 account and known and designated as the "Utilities System Fund," and said Utilities  
10 System Fund shall be maintained and administered in the following order of priority and for  
the following express purposes:

- 11 (a) The payment of all reasonable and necessary expenses of administering,  
12 operating and maintaining the Utilities System not paid from other revenues,  
13 including, specifically, ad valorem taxes;
- 14 (b) The establishment and maintenance of a "Revenue Refunding Bond Sinking  
15 Fund" (the "Sinking Fund") in an amount sufficient to pay promptly and fully  
16 the principal of and the interest on the Bonds herein authorized, including  
17 any additional pari passu bonds issued hereafter in the manner provided by  
18 this Bond Ordinance, as they severally become due and payable, by  
19 transferring from the Utilities System Fund to the Sinking Fund monthly in  
20 advance on or before the 20<sup>th</sup> day of each month of each year, a fractional  
21 amount of the interest on the Bonds falling due on the next Interest Payment  
22 Date and a fractional amount of the principal of the Bonds falling due on the  
23 next principal payment date, such fractions being equal to the number 1  
24 divided by the number of months preceding such Interest Payment Date or  
25 principal payment date, as the case may be, since the last interest or  
26 principal payment date, as the case may be, so that by making equal  
27 monthly payments the Issuer will always provide the necessary sums  
28 required to be on hand on each interest and principal payment date, together  
29 with such additional proportionate sum as may be required so that sufficient  
30 moneys will be available in the Sinking Fund to pay said principal and  
31 interest as the same respectively become due. The depository bank for the  
32 Sinking Fund shall transfer from the Sinking Fund to the Paying Agent, at  
33 least three (3) days in advance of the date on which each payment of  
34 principal and interest falls due, funds sufficient to pay promptly the principal  
35 and interest so falling due on such date.
- 36 (c) The establishment and maintenance of a "Revenue Refunding Bond  
37 Reserve Fund" (the "Reserve Fund") with the fiscal agent bank by depositing  
38 Bond proceeds upon delivery of the Bonds, a sum equal to the Reserve  
39 Fund Requirement, and by making any further deposits as hereinafter  
provided so that there will be on deposit in the Reserve Fund an amount  
equal to the Reserve Fund Requirement. The money in the Reserve Fund  
shall be retained solely for the purpose of paying the principal of and interest  
on bonds payable from the Sinking Fund as to which there would otherwise

4 be default (except such amounts, if any, as may be payable to the United  
5 States of America as a rebate or arbitrage).

6  
7 If at any time it shall be necessary to use moneys in the Reserve Fund for the  
8 purpose of paying principal or interest on Bonds payable from the Sinking Fund as to  
9 which there would otherwise be default, then the moneys so used shall be replaced from  
10 the revenues of the Utilities System first thereafter received, not hereinabove required for  
11 the purposes described in (a) and (b) of this Section 5.3, it being the intention hereof that  
12 there shall as nearly as possible be at all times in the Reserve Fund the amounts  
hereinabove specified.

13 All or any part of the moneys in the Utilities System Fund, Sinking Fund and  
14 Reserve Fund shall, at the written request of the Issuer, may be invested in direct  
15 obligations of the United States of America maturing in five (5) years or less and such  
16 investments shall, to the extent at any time necessary, be liquidated and the proceeds  
17 thereof applied to the purposes for which such funds are created. All income or earnings  
18 from such investments shall be deposited in the Utilities System Fund as income and  
19 revenues of the Utilities System.

20 Any moneys remaining in the Utilities System Fund after making the above required  
21 monthly payments may be used by the Issuer for such other lawful corporate purposes as  
22 the governing authority of the Issuer may determine, whether such purposes are or are not  
23 related to the System.

24 In the case of issues involving term bonds, all principal maturity calculations will be  
25 based on mandatory sinking fund payment installments rather than term bond maturities.

26 **SECTION 5.4. Method of Valuation and Frequency of Valuation.** In computing the  
27 amount in any fund provided for in Section 5.3, Permitted Investments shall be valued at  
28 the lower of the cost or the market price, exclusive of accrued interest. With respect to all  
29 funds and accounts (except the Reserve Fund), valuation shall occur annually. The  
30 Reserve Fund shall be valued semi-annually, except in the event of a withdrawal from the  
31 Reserve Fund, whereupon it shall be valued immediately after such withdrawal.

32 **ARTICLE VI**  
33 **REDEMPTION OF BONDS**

34 **SECTION 6.1. Bonds Non-Callable.** The Bonds shall not be callable for redemption  
35 prior to their stated maturities.  
36  
37  
38  
39

4 **ARTICLE VII**  
5 **PARTICULAR COVENANTS, ADDITIONAL PARITY BONDS**

6  
7 SECTION 7.1. Obligation of the Issuer in Connection with the Issuance of the  
8 Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates  
9 itself to deposit the proceeds of the Bonds as described in Section 4.1 hereof.

10 SECTION 7.2. Payment of Bonds. The Issuer shall duly and punctually pay or  
11 cause to be paid as herein provided, the principal or Redemption Price, if any, of every  
12 Bond and the interest thereon, at the dates and places and in the manner stated in the  
13 Bonds according to the true intent and meaning thereof.

14 SECTION 7.3. Issuance of Parity Bonds. All of the Bonds shall enjoy complete  
15 parity of lien along with the Parity Bonds on the Net Utilities Revenues despite the fact that  
16 any of the Bonds may be delivered at an earlier date than any other of the Bonds. The  
17 Issuer shall issue no other bonds or obligations of any kind or nature payable from or  
18 enjoying a lien on the Net Utilities Revenues having priority over or parity with the Bonds,  
19 provided, however, that bonds may hereafter be issued on a parity with the Bonds under  
20 the following conditions:

- 21 (a) The Net Utilities Revenues must in each of the two (2) completed Fiscal  
22 Years immediately preceding the issuance of the additional bonds have  
23 been not less than one and three-tenths (1.3) times the highest combined  
24 principal and interest requirements for any succeeding Fiscal Year period on  
25 all bonds then outstanding, including any pari passu additional bonds  
26 theretofore issued and then outstanding which are payable from the Net  
27 Utilities Revenues (but not including bonds which have been refunded or  
28 provision otherwise made for their full and complete payment and  
29 redemption) and the bonds so proposed to be issued.
- 30 (b) There must be no delinquencies in payments required to be made into the  
31 various funds established by Section 5.3 hereof.
- 32 (c) The existence of the facts required by paragraph (a) and (b) above must be  
33 determined and certified to by the Director of Finance.
- 34 (d) The additional bonds must be payable on April 1<sup>st</sup> of each year in which  
35 principal falls due and payable as to interest on April 1<sup>st</sup> and October 1<sup>st</sup> of  
36 each year.
- 37 (e) The proceeds of the additional bonds must be used solely for the making of  
38 improvements, extensions, renewals, replacements or repairs to the Utilities  
39 System, or to refund bonds issued therefor.

4 For the purpose of this section, debt service calculations shall be based on  
5 mandatory sinking fund installments.

6  
7 **ARTICLE VIII**  
8 **SUPPLEMENTAL BOND ORDINANCES**

9 SECTION 8.1. Supplemental Ordinances Effective Without Consent of  
10 Bondholders. For any one or more of the following purposes and at any time from time to  
11 time, an ordinance supplemental hereto may be adopted, which, upon the filing with the  
12 Paying Agent of a certified copy thereof, but without any consent of Bondholders, shall be  
13 fully effective in accordance with its terms:

- 14 (a) to add to the covenants and agreements of the Issuer in the Bond Ordinance  
15 other covenants and agreements to be observed by the Issuer which are not  
16 contrary to or inconsistent with this Bond Ordinance as theretofore in effect;
- 17 (b) to add to the limitations and restrictions in this Bond Ordinance other  
18 limitations and restrictions to be observed by the Issuer which are not  
19 contrary to or inconsistent with this Bond Ordinance as thereto fore in effect;
- 20 (c) to surrender any right, power or privilege reserved to or conferred upon the  
21 Issuer by the terms of this Bond Ordinance, but only if the surrender of such  
22 right, power or privilege is not contrary to or inconsistent with the covenants  
23 and agreements of the Issuer contained in this Bond Ordinance;
- 24 (d) to cure any ambiguity, supply any omission, or cure or correct any defect or  
25 inconsistent provision of this Bond Ordinance; or
- 26  
27 (e) to insert such provisions clarifying matters or questions arising under this  
28 Bond Ordinance as are necessary or desirable and are not contrary to or  
29 inconsistent with this Bond Ordinance as theretofore in effect.

30 SECTION 8.2. Supplemental Ordinances Effective With Consent of Bondholders.  
31 Except as provided in Section 8.1 above, any modification or amendment of this Bond  
32 Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds  
33 hereunder, in any particular, may be made by a supplemental Ordinance, with the written  
34 consent of the Owners of a majority of the Bonds outstanding at the time such consent is  
35 given. No such modification or amendment shall permit a change in the terms of  
36 redemption or maturity of the principal of any outstanding Bond or of any installment of  
37 interest thereon or a reduction in the principal amount or the redemption price thereof or in  
38 the rate of interest therein without the consent of the Owner of such Bond, or shall reduce  
39 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 rates and  
changes for the payment of the Bonds 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



4 obligations of the Paying Agent without its written consent thereto. For the purposes of  
5 this Section, Bonds shall be deemed to be affected by a modification or amendment of this  
6 Bond Ordinance if the same adversely affects or diminishes the rights of the Owner of said  
7 Bonds.

8 **ARTICLE IX**  
9 **RATES AND CHARGES; COVENANTS AS TO THE**  
10 **MAINTENANCE AND OPERATION OF THE UTILITIES SYSTEM**

11 SECTION 9.1. Obligation to Fix Rates. The Issuer, through the Governing  
12 Authority, hereby covenants to fix, establish and maintain such rates and collect such fees,  
13 rents or other charges for the services and facilities of the Utilities System and all parts  
14 thereof, and to revise the same from time to time whenever necessary, as will always  
15 provide revenues in each year at least sufficient to pay (i) the necessary expenses of  
16 administering, operating and maintaining the Utilities System in such year, (ii) the principal  
17 and interest maturing on the Bonds in such year, (iii) all Reserve or Sinking Funds or other  
18 payments required for such year by this Bond Ordinance and the ordinances governing the  
19 Parity Bonds, and (iv) all other obligations and indebtedness payable out of the income  
20 and revenues of the Utilities System during such year, and which will in any event provide  
21 revenues in each year, after paying all reasonable and necessary expenses of  
22 administering, operating and maintaining the Utilities System in such year not paid from ad  
23 valorem tax revenues, at least equal to 120% of the largest amount of principal and  
24 interest maturing on the Bonds herein authorized and on any additional pari passu bonds  
25 in any future Fiscal Year, and that such rates, fees, rents or other charges shall not at any  
26 time be reduced so as to be insufficient to provide adequate revenues for such purposes.

27 SECTION 9.2. Schedule of Rates and Charges. Except as otherwise provided,  
28 nothing in this Bond Ordinance or in the Bonds shall be construed to prevent the Issuer  
29 from altering, amending or repealing from time to time as may be necessary any  
30 Ordinances or Ordinances setting up and establishing a schedule or schedules of rates  
31 and charges for the services and facilities to be rendered by the Utilities System, said  
32 alterations, amendments or repeals to be conditioned upon the continued preservation of  
33 the rights of the Owners with respect to the income and revenues of the Utilities System,  
34 not alone for the payment of the principal of and the interest on the Bonds, but to give  
35 assurance and insure that the income and revenues of the Utilities System shall be  
36 sufficient at all times to meet and fulfill the other provisions stated and specified in Section  
37 5.3 of this Bond Ordinance. It is understood and agreed, however, that the Issuer shall fix,  
38 establish and maintain such rates and collect such fees, rents or other charges for the  
39 services and facilities to be rendered by the Utilities System, irrespective of the user  
thereof, that no free services or facilities shall be furnished to any person, association of  
persons or corporation, public or private, except the Issuer itself, and that all services shall  
be metered, and that no discrimination shall be made as to rates and charges for the  
services and facilities of the Utilities System as between users of the same type or class,  
provided, however, the Issuer shall not be required to meter water used for fire fighting  
purposes through its fire hydrants, but the Issuer hereby agrees to pay from its general  
revenues a minimum annual rental of Twenty-Five Dollars (\$25.00) per year for each fire

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4 hydrant connected to the Utilities System and available for fire fighting. The Issuer agrees  
5 that all charges owed by any individual, partnership or corporation for water and sewer  
6 rendered by the Utilities System shall be billed and collected as a unit; that failure of any  
7 individual, partnership or corporation to pay said combined charge within fifteen (15) days  
8 of the date on which it is billed shall cause such charge to become delinquent; that if such  
9 delinquent charge, with penalties accrued thereon, is not paid within ten (10) days from the  
10 date on which it became delinquent, the Issuer will shut off water service to the affected  
11 premises; and that the Issuer and its officials, agents and employees will do all things  
12 necessary and will take advantage of all remedies afforded by law to collect and enforce  
13 the prompt payment of all charges made for utilities services rendered by the Utilities  
14 System. All delinquent charges for such services shall on the date of delinquency have  
15 added thereto a penalty of ten percent (10%) of the amount of the charge. If service shall  
16 be discontinued as above provided, the customer shall in addition to paying the delinquent  
17 charges and penalties, pay as a condition precedent to the resumption of service, a  
18 reasonable re-connection charge of not less than Two Dollars (\$2.00) for each service  
19 resumed. It is further understood and agreed that the schedule of rates, fees, rents and  
20 other charges being charged as of the date of the adoption of this Bond Ordinance for  
21 services and facilities rendered by the Utilities System shall remain in effect and neither  
22 said existing schedule nor any subsequent schedule shall be reduced at any time unless  
23 all payments required for all funds by this Bond Ordinance, including any deficiencies for  
24 prior payments, have been fully made, and unless such schedule as so reduced will in  
25 each year thereafter produce sufficient revenues to meet and fulfill the other provisions  
26 stated and specified in Sections 5.3 and 9.1 of this Bond Ordinance.

27 SECTION 9.3. Pledge of Revenues. In providing for the issuance of the Bonds,  
28 the Issuer does hereby covenant and warrant that it will be lawfully seized and possessed  
29 of the Utilities System, that it has a legal right to pledge the income and revenues  
30 therefrom as herein provided, that the Bonds, together with the Parity Bonds and any pari  
31 passu additional bonds hereafter issued as provided in this Bond Ordinance, will have a  
32 lien and privilege on said income and revenues subject only to the prior payment of all  
33 reasonable and necessary expenses of administering, operating and maintaining the  
34 Utilities System, and that the Issuer will at all times maintain the Utilities System in first  
35 class repair and working order and condition.

36 SECTION 9.4. Insurance. So long as any of the Bonds herein authorized are  
37 outstanding and unpaid in principal or interest, the Issuer shall carry full coverage of  
38 insurance on the Utilities System at all times against those risks and in those amounts  
39 normally carried by privately owned public utility companies engaged in the operation of  
such utilities. The Issuer will also carry adequate public liability insurance. Said policies of  
insurance shall be issued by a responsible insurance company or companies duly licensed  
to do business under the laws of the State. In case of loss, any insurance money received  
by the Issuer, except on public liability insurance, shall be used for the purpose of promptly  
repairing or replacing the property damaged or destroyed.

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4 So long as any of the Bonds are outstanding and unpaid, the Issuer, in operating  
5 the Utilities System, shall require all of its officers and employees who may be in a position  
6 of authority or in possession of money derived from the operation of the Utilities System to  
7 be covered by a blanket fidelity or faithful performance bond or independent fidelity bonds  
8 written by a responsible indemnity company in amounts adequate to protect the Issuer  
9 form loss.

10 SECTION 9.5. Accounting for System Revenues. So long as any of the Bonds  
11 herein authorized are outstanding and unpaid in principal or interest, the Issuer shall  
12 maintain and keep proper books of record and accounts in which shall be made full and  
13 correct entries of all transactions relating to the Utilities System. Not later than three (3)  
14 months after the close of each Fiscal Year, the issuer shall cause the commencement of  
15 an audit of such books and accounts begun by a recognized independent firm of certified  
16 public accountants, showing the receipts of and disbursements made for the account of the  
17 Utilities System, and such audit shall be completed within one hundred eighty (180) days  
18 of the close of such Fiscal Year, unless such date is extended by the laws of the State of  
19 Louisiana in the event of a natural disaster or similar event. Such audit shall be available  
20 for inspection by the Owner of any of the Bonds herein authorized, and a copy of such  
21 audit shall be furnished promptly after its completion to the Underwriter of the Bonds.  
22 Each such audit, in addition to whatever matters may be thought proper by the accountant  
23 to be included therein, shall include the following:

- 24 1. A statement in detail of the income and expenditures of the Utilities System for  
25 usch Fiscal Year.
- 26 2. A balance sheet as of the end of such Fiscal Year.
- 27 3. The accountant's comments regarding the manner in which the Issuer has  
28 carried out the requirements of this Bond Ordinance, and the accountant's  
29 recommendations for any changes or improvements in the operation of the  
30 Utilities System or the method of keeping the records relating thereto.
- 31 4. A list of the insurance policies in force at the end of the Fiscal Year, setting out  
32 as to each policy the amount of the policy, the risks covered, the name of the  
33 insurer and the expiration date of the policy.
- 34 5. The number of metered water customers and the number of unmetered water  
35 customers, if any, at the end of the Fiscal Year.
- 36 6. An analysis of additions, replacements and improvements to the physical  
37 properties of the Utilities System.

38 All expenses incurred in the making of the audits required by this Section shall be  
39 regarded and paid as a maintenance and operation expense. The Issuer further agrees  
that the Underwriter of the Bonds, the Paying Agent and the Owners shall have the right to

4 discuss with the accountant making the audit the contents of the audit and to ask for such  
5 additional information as be may reasonably require. The Issuer further agrees to furnish  
6 to the Underwriter of the Bonds or to such other parties as it shall designate in writing, and  
7 to the Paying Agent, or upon written request, to any Owner, a monthly statement itemized  
8 to show the income and expenses of the operation of the Utilities System and the number  
9 of connections for the preceding month. The Issuer further agrees that said Underwriter,  
10 the Paying Agent and the Owners shall have at all reasonable times the right to inspect the  
11 Utilities System and the records, accounts and data of the Issuer relating thereto.

12 SECTION 9.6. Rights of Owners. That the Owners of the Bonds shall be entitled  
13 to exercise all rights and powers for which provision is made in the laws of the State,  
14 particularly Chapter 10, Part I, Subpart C of Title 33 of the Louisiana Revised Statutes of  
15 1950. Any Owners of said Bonds issued under the provisions of this Bond Ordinance, or  
16 any paying agent acting for such Owners in the manner hereinafter provided, may, either  
17 at law or in equity, by suit, action, mandamus or other proceeding in any court of  
18 competent jurisdiction, protect and enforce any and all rights under the laws of the State,  
19 or granted and contained in this Bond Ordinance, and may enforce and compel the  
20 performance of all duties required by this Bond Ordinance or by any applicable statutes to  
21 be performed by the Issuer or by any agency, board or officer thereof, including the fixing,  
22 charging and collection of rentals, fees or other charges for the use of the Utilities System,  
23 and in general to take any action necessary to most effectively protect the rights of said  
24 Owners.

25 In the event that default shall be made in the payment of the interest on or the  
26 principal of any of the Bonds issued pursuant to this Bond Ordinance as the same shall  
27 become due, or in the making of the payments into any fund established by Section 5.3 of  
28 this Bond Ordinance or any other payments required to be made by this Bond Ordinance,  
29 or in the event that the Issuer or any agency, board, officer, agent or employee thereof  
30 shall fail or refuse to comply with the provisions of this Bond Ordinance, or shall default in  
31 any covenant made herein, and in the further event that any such default shall continue for  
32 a period of thirty (30) days after written notice, any Owner or any paying agent appointed  
33 to represent Owners as hereinafter provided, shall be entitled as of right to the  
34 appointment of a receiver of the Utilities System, in an appropriate judicial proceeding in a  
35 court of competent jurisdiction.

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

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4 Whenever all that is due upon the Bonds issued pursuant to this Bond Ordinance,  
5 and interest thereon, and under any covenants of this Bond Ordinance for all funds herein  
6 required, and upon any other obligations and interest thereon, having a charge, lien or  
7 encumbrance upon the fees, rentals or other revenues of the Utilities System, shall have  
8 been paid and made good, and all defaults under the provisions of this Bond Ordinance  
9 shall have been cured and made good, possession of the Utilities System shall be  
10 surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any  
11 subsequent default, an Owner of Bonds issued pursuant to the Bond Ordinance, or any  
12 paying agent appointed for Owners hereinafter provided, shall have the same right to  
13 secure the further appointment of a receiver upon such subsequent default.

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

21 Any receiver appointed as provided herein shall hold and operate the Utilities  
22 System in the name of the Issuer and for the joint protection and benefit of the Issuer and  
23 Owners of Bonds issued pursuant to this Bond Ordinance. Such receiver shall have no  
24 power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character  
25 belonging or pertaining to the Utilities System but the authority of such receiver shall be  
26 limited to the possession, operation and maintenance of the Utilities System for the sole  
27 purpose of the protection of both the Issuer and Owners and the curing and making good  
28 of any default under the provisions of this Bond Ordinance, and the title to and the  
29 ownership of the Utilities System shall remain in the Issuer, and no court shall have any  
30 jurisdiction to enter any order or decree permitting or requiring such receiver to sell,  
31 mortgage or otherwise dispose of any assets of the Utilities System except with the  
32 consent of the Issuer and the Owners of not less than three-fourths (3/4) of the principal  
33 amount of the Bonds then outstanding, and in such manner as the court shall direct.

34 The Owners of Bonds in an aggregate principal amount of not less than twenty-five  
35 percent (25%) of Bonds issued under this Bond Ordinance then outstanding may by a duly  
36 executed certificate in writing appoint a Paying Agent for Owners of Bonds issued pursuant  
37 to this Bond Ordinance with authority to represent such Owners in any legal proceedings  
38 for the enforcement and protection of the rights of such Owners. Such certificate shall be  
39 executed by such Owners, or their duly authorized attorneys or representatives, and shall  
40 be filed in the office of the Governing Authority.

41 **SECTION 9.7. Sale or Lease of Utilities System.** So long as any of the Bonds  
42 authorized are outstanding in principal and interest, the Issuer shall be bound and  
43 obligated not to sell, lease, encumber, or in any manner dispose of the Utilities System or  
44 any substantial part thereof; provided, however, that this covenant shall not be construed

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4 to prevent the disposal by the Issuer of property which in its judgment has become  
5 inexpedient to use in connection with the Utilities System when other property of equal  
6 value is substituted therefor, or the proceeds derived from the sale of such property are  
7 used for the purpose of making extensions, improvements or additions to, or renewal of  
8 capital assets of the Utilities System.

9 **SECTION 9.8. Priority of Lien.** Except as provided in Section 7.3 of this Bond  
10 Ordinance, the Issuer hereby covenants that it will not voluntarily create or cause to be  
11 created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge  
12 whatsoever having priority over or parity with the lien of the Bonds issued pursuant to this  
13 Bond Ordinance and the interest thereon upon any of the income and revenues of the  
14 Utilities System pledged as security therefor in this Bond Ordinance.

15 **SECTION 9.9. Franchise.** So long as any of the Bonds herein authorized are  
16 outstanding and unpaid in principal or interest, the Issuer obligates itself not to grant a  
17 franchise to any competing utility for operation within the boundaries of the Issuer, and  
18 also obligates itself to oppose the granting of any such franchise by any other public board  
19 having jurisdiction over such matters. Further, the Issuer shall maintain its corporate  
20 identity and existence as long as any of the Bonds herein authorized remain outstanding.

21 **SECTION 9.10. No Free Service.** The Issuer hereby expressly agrees and  
22 covenants with the Owners of the Bonds herein authorized from time to time that the same  
23 will not provide any free water or sewer service other than the Issuer, and that the same  
24 will adopt and maintain rules and regulations which will insure that all bills for services will  
25 be collected in a prompt and punctual manner in order that all of the funds and payments  
26 required under Section 5.3 hereof may be maintained. The Issuer likewise warrants that  
27 the same will enforce all applicable laws of the State on the subject of the sale and  
28 distribution of water and the collection and disposal of sewage.

29 Acting in the exercise of its police powers, the Issuer shall take all action necessary  
30 to require every owner, tenant or occupant of each lot or parcel of land in the Issuer which  
31 abuts upon a street or other public way containing a sewer line and upon which lot or  
32 parcel a building shall have been constructed for residential, commercial or industrial use,  
33 to connect said buildings with the Utilities System and to cease to use any other method  
34 for the disposal of sewerage, sewerage waste or other polluting matter. All such  
35 connections shall be made in accordance with rules and regulations to be adopted from  
36 time to time by the Governing Authority, which rules and regulations may provide for an  
37 inspection charge to assure the proper making of such connection.

38 In addition to all other rights and remedies available to be used for the enforcement  
39 of sewerage charges and for the compelling of the making of sewerage connections as  
40 aforesaid, the Issuer shall exercise and enforce promptly and efficiently all rights given it  
41 under the laws of Louisiana for the enforcement and collection of such charges, and  
42 particularly those rights and remedies given it by the Act.

4 SECTION 9.12. Consulting Engineer. It is recognized and understood that in  
5 purchasing and accepting delivery of the Bonds herein authorized, the Underwriter thereof  
6 have relied, and the Owners of the Bonds from time to time will rely, upon representations  
7 made by the Issuer that the Utilities System will be economically and efficiently operated  
8 so that both the Issuer and the Owners of the Bonds may benefit through the production of  
9 maximum revenues. To this end, the Issuer hereby covenants and agrees that in the  
10 event it should default in making the payments required by Section 7.2 of this Bond  
11 Ordinance, it will retain a nationally known consulting utility engineer or firm of consulting  
12 utility engineers (in this Bond Ordinance referred to as "Consulting Engineer") for the  
13 purpose of providing the Issuer with proper engineering counsel in the operation of the  
14 Utilities System until such time as all such defaults have been cured and satisfied. The  
15 Consulting Engineer shall be retained on an annual basis at such reasonable  
16 compensation as may be found by the Governing Authority and the payment of such  
17 compensation shall be considered to be one of the costs of maintaining and operating the  
18 Utilities System. The Consulting Engineer retained under the provision of this Bond  
19 Ordinance may be replaced at any time by another engineer or firm of engineers appointed  
20 or retained by the Issuer, provided no such engineer may be replaced until an Ordinance  
21 setting forth the just cause for such action, adopted by the Governing Authority, shall have  
22 been filed with the clerk of the Issuer, the Underwriter of the Bonds and with the Consulting  
23 Engineer, and thereafter a public hearing thereon shall have been conducted by the  
24 Governing Authority at which all interested persons are given an opportunity to be heard,  
25 after which the Governing Authority may make such replacement if so directed by at least  
26 a two-thirds (2/3) vote of the Governing Authority taken at a regular meeting. If the  
27 Consulting Engineer is ever appointed, retained or replaced as above provided, such  
28 engineer or successor engineer shall be selected with special reference to his knowledge  
29 and experience in the construction and operation of publicly owned utility properties and  
30 shall be retained under contract at such reasonable compensation as my from time to time  
31 be agreed upon by the Governing Authority and the engineer.

32  
33 Should the Governing Authority fail to retain a Consulting Engineer as herein  
34 provided and shall fail to do so within thirty (30) days after written notice from any Owner  
35 calling attention to such failure, then upon the petition of twenty-five percent (25%) of the  
36 Owners of the outstanding Bonds, the Governing Authority shall select and retain such  
37 Consulting Engineer as is named in the petition of the Owners.

38  
39 Said Consulting Engineer as retained as hereinabove provided, shall annually  
inspect the Utilities System and the records relating thereto, and within three (3) months  
after the close of the Fiscal Year he shall prepare a written report upon the operations of  
the Utilities 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 this Bond Ordinance, and any  
other things having a bearing upon the efficient and profitable operation of the Utilities  
System as the Consulting Engineer feels should be contained in the report. Said  
Consulting Engineer shall also submit in said report such recommendations for

4 maintenance, insurance, operation, repairs, renewals, replacements, extensions,  
5 betterments and improvements as he may deem proper. Copies of such report shall be  
6 placed on file with the Clerk of the Issuer and said report shall be furnished to any Owner  
7 of any of said Bonds upon request.

8 It shall also be the duty of the Consulting Engineer to advise the Issuer as to any  
9 changes or revisions of rates, fees, rents or other charges for services and facilities  
10 rendered or furnished by the Utilities System, and the Issuer agrees to make no revisions  
11 therein which are not approved by the Consulting Engineer except that changes or  
12 revisions of such rates, fees, rents or other charges may be made without the approval of  
13 the Consulting Engineer if the Governing Authority by Ordinance adopted by two-thirds  
14 (2/3) of its members shall order such changes or revisions and call a public hearing to be  
15 held thereon within thirty (30) days from the adoption of the Ordinance. Not less than ten  
16 (10) days notice of such hearing shall be given to all interested parties, including the  
17 Consulting Engineer, and the Underwriter of the Bonds heron authorized. Sixty (60) days  
18 before the close of each Fiscal Year the Issuer shall, in conjunction with the Consulting  
19 Engineer, prepare a budget for the ensuing year's operation of the Utilities System. No  
20 expenditure for the operation, maintenance and repairs of the Utilities System in excess of  
the amounts stated in the budget shall be made in any year unless authorized by the  
Governing Authority and approved by the Consulting Engineer.

21 The provisions of this Section shall only apply during any period during which the  
22 Issuer may be in default in making required payments into the funds established by  
23 Section 5.3 of this Bond Ordinance.

24 **ARTICLE X**  
25 **CONCERNING FIDUCIARIES**

26  
27 **SECTION 10.1. Paying Agent; Appointment and Acceptance of Duties.** The  
28 Issuer will at all times maintain a Paying Agent meeting the qualifications herein described  
29 for the performance of the duties hereunder. The designation of Regions Bank, in the City  
30 of Baton Rouge, Louisiana, as the initial Paying Agent is hereby confirmed and approved.  
31 The Paying Agent shall signify its acceptance of the duties and obligations imposed on it  
32 by the Bond Ordinance by executing and delivering an acceptance of its rights, duties and  
33 obligations as Paying Agent set forth herein in form and substance satisfactory to the  
Issuer.

34 **SECTION 10.2. Successor Paying Agent.** Any successor Paying Agent shall (i)  
35 be a trust company or bank in good standing, located in or incorporated under the laws of  
36 the State, duly authorized to exercise trust powers and subject to examination by federal or  
37 state authority and (ii) have a reported capital and surplus of not less than \$75,000,000.  
38 The Paying Agent may be removed at any time at the request of the Issuer, for any breach  
39 of the trust set forth herein. Notwithstanding any other provision of this Bond Ordinance,



4 no removal, resignation or termination of the Paying Agent shall take effect until a  
5 successor acceptable to the Issuer shall be appointed.

6  
7 **ARTICLE XI**  
8 **MISCELLANEOUS**

9 **SECTION 11.1. Evidence of Signatures of Bondholders and Ownership of Bonds.**

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

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

32 (2) the ownership of Bonds and the amount, numbers and other  
33 identification, and date of owning the same shall be proved by the  
34 registration books.

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

38 **SECTION 11.2. Moneys Held for Particular Bonds.** The amounts held by the  
39 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 11.3. Parties Interested Herein.** Nothing in the Bond Ordinance  
expressed or implied is intended or shall be construed to confer upon, or to give to, any

1 **ORDINANCE NO. 3579**  
2 **ITEM NO. 10-06-2862**  
3 **PAGE 25**

4 person or corporation, other than the Issuer, the Paying Agent, the Insurer and the Owners  
5 of the Bonds any right, remedy or claim under or by reason of this Bond Ordinance or any  
6 covenants, condition or stipulation thereof, and all the covenants, stipulations, promises  
7 and agreements in this Bond Ordinance contained by and on behalf of the Issuer shall be  
8 for the sole and exclusive benefit of the Issuer, the Paying Agent, the Insurer and the  
9 Owners of the Bonds.

10 SECTION 11.4. No Recourse on the Bonds. No recourse shall be had for the  
11 payment of the principal of or interest on the Bonds or for any claim based thereon or on  
12 this Bond Ordinance against any member of the Governing Authority or officer of the  
13 Issuer or any person executing the Bonds.

14 SECTION 11.5. Successors and Assigns. Whenever in this Bond Ordinance the  
15 Issuer is named or referred to, it shall be deemed to include its successors and assigns  
16 and all the covenants and agreements in this Bond Ordinance contained by or on behalf of  
17 the Issuer shall bind and enure to the benefit of its successors and assigns whether so  
18 expressed or not.

19 SECTION 11.6. Severability. In case any one or more of the provisions of this  
20 Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal  
21 or invalid, such illegality or invalidity shall not affect any other provision of this Bond  
22 Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and  
23 enforced as if such illegal or invalid provisions had not been contained therein. Any  
24 constitutional or statutory provision enacted after the date of this Bond Ordinance which  
25 validates or makes legal any provision of this Bond Ordinance or the Bonds which would  
26 not otherwise be valid or legal shall be deemed to apply to this Bond Ordinance and to the  
27 Bonds.

28 SECTION 11.7. Publication of Bond Ordinance. This Bond Ordinance shall be  
29 published one (1) time in the official journal of the Issuer; however, it shall not be  
30 necessary to publish any exhibits hereto if the same are available for public inspection and  
31 such fact is stated in the publication. For thirty (30) days after the date of publication, any  
32 person in interest may contrast the legality of this Bond Ordinance, any provision of the  
33 Bonds, the provisions therein made for the security and payment of the Bonds and the  
34 validity of all other provisions and proceedings relating to the authorization and issuance of  
35 the Bonds. After the said thirty (30) days, no person may contest the regularity, formality,  
36 legality or effectiveness of this Bond Ordinance, any provision of the Bonds to be issued  
37 pursuant hereto, the provisions for the security and payment of the Bonds and the validity  
38 of all other provisions and proceedings relating to their authorization and issuance, for any  
39 cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal  
and that every legal requirement for the issuance of the Bonds has been complied with.  
No court shall have authority to inquire into any of these matters after the said thirty (30)  
days.

1 **ORDINANCE NO. 3579**  
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3 **PAGE 26**

4 SECTION 11.8. Execution of Documents. In connection with the issuance and  
5 sale of the Bonds, the Executive Officers are each authorized, empowered and directed to  
6 execute on behalf of the Issuer such documents, certificates and instruments as they may  
7 deem necessary, upon the advice of Bond Counsel, to effect the transactions  
8 contemplated by this Bond Ordinance, the signatures of the Executive Officer on such  
9 documents, certificates and instruments to be conclusive evidence of the due exercise of  
10 the authority granted hereunder.

11 SECTION 11.9. Recordation. A certified copy of this Bond Ordinance shall be  
12 filed and recorded as soon as possible in the Mortgage Records of the Parish of St.  
13 Tammany, State of Louisiana.

14 SECTION 11.10. Effective Date. This Bond Ordinance shall become effective  
15 immediately upon its adoption.

16 SECTION 11.11. Arbitrage; Designation as Qualified Tax-Exempt Obligations.  
17 The Issuer covenants and agrees that, to the extent permitted by the laws of the State, it  
18 will comply with the requirements of the Internal Revenue Code of 1986 and any  
19 amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion  
20 form "gross income" of interest on the Bonds under the Code. The Issuer further  
21 covenants and agrees that it will not take any action, fail to take any action, or permit any  
22 action within the control to be taken, or permit at any time or times any of the proceeds of  
23 the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner,  
24 the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in  
25 the inclusion of the interest on any of the Bonds in gross income under the Code,  
26 including, without limitation, (i) the failure to comply with the limitation on investment of  
27 Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the  
28 United States of America or (iii) the use of the proceeds of the Bonds in a manner which  
29 would cause the Bonds to be "private activity bonds".

30 The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to  
31 Section 265(b)(3) of the Code and the American Recovery and Reinvestment Act of 2009  
32 in making this designation, the Issuer finds and determines that: (i) the Bonds are not  
33 private activity bonds within the meaning of the Code; and (ii) the reasonably anticipated  
34 amount of qualified tax-exempt obligation which will be attributable to the Issuer in the  
35 calendar year 2010 will not exceed \$30,000,000.

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

39 SECTION 11.12. Employment of Bond Counsel. The Governing Authority hereby  
finds and determines that a real necessity exists for the employment of special counsel in  
the issuance of the Bonds, and accordingly, the law firm of McGlinchey Stafford PLLC,  
Bond Counsel, is hereby employed as Bond Counsel to handle all matters of a legal nature

4 in connection with the negotiation, sale, issuance and delivery of the Bonds. The fee of  
5 McGlinchey Stafford PLLC, in connection with said program of finance shall be and the  
6 same is hereby established and fixed at a sum not to exceed the maximum fee for revenue  
7 bonds as provided by the Attorney General's fee schedule based on the amount of the  
8 Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses,  
9 provided, however, that said fee shall be contingent on and payable solely from the  
10 proceeds of the sale of the Bonds. It is recognized that such counsel has prepared an  
11 Official Statement in connection with the issuance of the Bonds and said counsel shall be  
12 reimbursed its costs in connection with the preparation of such Official Statement from the  
13 proceeds of the Bonds as a cost of issuance.

14 **ARTICLE XII**  
15 **SALE OF BONDS**

16 SECTION 12.1. Sale of Bonds. The Bonds will be awarded to and sold to the  
17 Underwriter under the terms and conditions set forth in the Bond Purchase Agreement  
18 (hereinafter defined) and within the parameters set forth in this Bond Ordinance, and after  
19 their execution and authentication by the Paying Agent, the Bonds shall be delivered to the  
20 Underwriter or their agents or assigns, upon receipt by the Issuer of the agreed purchase  
21 price. The Executive Officers are hereby authorized, empowered and directed to execute  
22 the Bond Purchase Agreement on behalf of the Issuer and deliver or cause to be executed  
23 and delivered all documents required to be executed on behalf of the Issuer or deemed by  
24 them necessary or advisable to implement the Bond Ordinance or to facilitate the sale of  
25 the Bonds.

26 SECTION 12.2. Official Statement. The Issuer hereby ratifies and approves the  
27 form and content of a Preliminary Official Statement in the form approved by Bond  
28 Counsel, pertaining to the Bonds, as submitted to the Issuer, and hereby ratifies its prior  
29 use in connection with the sale of the Bonds. The Issuer further approves the form and  
30 content of the final Official Statement and hereby authorizes and directs the execution by  
31 the Mayor of the Issuer and an Executive Officer and delivery of such final Official  
32 Statement to the Underwriter for use in connection with the public offering of the Bonds.

33 **ARTICLE XIII**  
34 **PROVISIONS RELATED TO CONTINUING DISCLOSURE CERTIFICATE**

35 SECTION 13.1. Continuing Disclosure. The Issuer will execute a Continuing  
36 Disclosure Certificate in which it will agree to provide certain financial information and  
37 operating data relating to the Issuer and to provide notice of the occurrence of certain  
38 events.

39 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, including, without limitation, the


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**ORDINANCE NO. 3579**  
**ITEM NO. 10-06-2862**  
**PAGE 28**

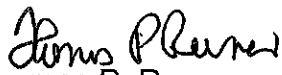
Continuing Disclosure Certificate in substantially the form set forth in the Official Statement.

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4  
5 **ADOPTED** this 13th day of July, 2010.

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8   
9 Lionel Hicks  
10 President of the Council  
11 Councilman, District A

12  
13   
14 Freddy Drennan  
15 Mayor

16   
17 Thomas P. Reeves  
18 Council Administrator

DELIVERED	11:00 a.m.
7/15/10	to the Mayor
RECEIVED	3:00 p.m.
7/16/10	from the Mayor

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4 **CERTIFICATE OF THE COUNCIL**

5  
6 The undersigned Council Administrator of the Council of the City of Slidell, State of  
7 Louisiana (the "City") does hereby certify that the foregoing constitutes a true and correct  
8 copy of an Ordinance adopted by the City on July 13, 2010, providing for the issuance and  
9 sale of not to exceed One Million Ten Thousand Dollars (\$1,010,000) of Utilities Revenue  
10 Refunding Bonds, Series 2010 (the "Bonds"), of the City of Slidell, State of Louisiana (the  
11 "Issuer"); prescribing the form, fixing the details and providing for the payment of principal  
12 of and interest on said Bonds and for the rights of the owners thereof; providing for the use  
13 of the proceeds of the Bonds to currently refund the Issuer's outstanding Utilities Revenue  
14 Bonds, Series 1996, dated in connection with the sale and issuance of the Series 1996  
15 Bonds; approving the Official Statement prepared in connection with the issuance of the  
16 Bonds; authorizing a Notice of Redemption; providing for the employment of Bond Counsel  
17 and Underwriter; and providing for other matters in connection therewith.

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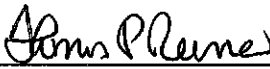
IN WITNESS WHEREOF, I have subscribed my official signature as Administrator  
of the Council of the City on this, the 13th day of July, 2010.

**Certified True Copy**

**Slidell City Council**

**Certified True Copy**

**Slidell City Council**

  
\_\_\_\_\_  
Thomas P. Reeves  
Council Administrator

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**EXHIBIT A  
FORM OF NOTICE OF REDEMPTION**

**CITY OF SLIDELL, STATE OF LOUISIANA  
UTILITIES REVENUE BONDS  
SERIES 1996**

**NOTICE IS HEREBY GIVEN** that in accordance with the provisions of Ordinance No. 2657 (the "Governing Authority") of the City of Slidell, State of Louisiana dated as of March 7, 1996 of the Slidell City Council, acting as the governing authority (the "Issuer"), the above-captioned bonds (the "Bonds") are hereby called for redemption in the stated portions by the Borrower on \_\_\_\_\_, 2010 (the "Redemption Date") at a redemption price of the principal amount thereof together with interest to the Redemption Date. Interest will cease to accrue on the Bonds from and after the Redemption Date.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rates</u>
4/1/2011	\$155,000	5.55%
4/1/2012	\$160,000	5.55%
4/1/2013	\$170,000	5.55%
4/1/2014	\$180,000	5.55%
4/1/2015	\$190,000	5.55%
4/1/2016	\$200,000	5.55%

Payment of the Bonds will be made upon presentation and surrender thereof to The Bank of New York Mellon Trust Company, N.A., as successor in interest to J.P. Morgan Trust Company, N.A., as successor in interest to Bank One, N.A., as successor in interest to First National Bank of Commerce, as Paying Agent for the Bonds (the "Paying Agent"). The Bonds should be presented at the office of The Bank of New York Mellon Trust Company, N.A. at the following address:

Delivery by U.S. Mail or Hand/Overnight  
The Bank of New York Mellon Trust  
Company, N.A.  
One American Place  
301 Main Street, Suite 1510  
Baton Rouge, LA 70825

Redemption of the Bonds is conditional upon receipt by the Paying Agent on or prior to the Redemption Date of proceeds from the Issuer in an amount sufficient to pay the principal and interest on the Bonds. If such moneys have not been received on or prior to the Redemption Date, this Notice of Redemption will be of no force and effect and the Borrower will not be required to redeem the Bonds.



4 **IMPORTANT INFORMATION**

5  
6 Under the Jobs and Growth Reconciliation Act of 2003, paying agents making payments of  
7 interest or principal on municipal securities may be obligated to withhold twenty-eight  
8 percent (28%) tax from remittance to individuals who have failed to furnish the paying  
9 agent with a valid taxpayer identification number. Owners of the Bonds who wish to avoid  
10 the imposition of the tax should submit certified taxpayer identification numbers when  
presenting the Bonds for payment.

11 Dated: \_\_\_\_\_, 2010 City of Slidell, State of Louisiana  
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**EXHIBIT B  
FORM OF BOND**

**UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ST. TAMMANY**

**UTILITIES REVENUE REFUNDING BOND, SERIES 2010  
CITY OF SLIDELL, STATE OF LOUISIANA**

<b>Bond Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>CUSIP Number</b>
_____, 2010	April 1, _____	_____ %	_____

The CITY OF SLIDELL, STATE OF LOUISIANA (the "Issuer"), for value received, promises to pay, but only from the source hereinafter provided, to

\_\_\_\_\_

or registered assigns, on the Maturity Date set forth above, but solely from the revenues hereinafter described, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or from the most recent interest payment date to which interest has been paid or duly provided for, payable on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing October 1, 2010, at the Interest Rate per annum set forth above (using a year of 360 days comprised of twelve (12) 30-day months) until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal and premium, if any, of this Bond, upon maturity or redemption, 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 corporate trust office of Regions Bank, in the City of Baton Rouge, Louisiana, or any successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed on or before the Interest Payment Date by the Paying Agent to the registered owner at the address as shown on the registration books of the Paying Agent maintained for such purpose. The interest so payable on any Interest Payment Date will be paid to the person in whose name this Bond (or one or more predecessor Bonds) is registered at the close of business on the Record Date (which is the 15<sup>th</sup> day of the calendar month next preceding an Interest Payment Date). Any interest not punctually paid or duly provided for shall be payable as provided in the Bond Ordinance (hereinafter defined).

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of registration hereon shall have been signed by the Paying Agent. It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and

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4 things required to exist, to happen and to be performed precedent to and in the issuance of  
5 this Bond and the issue of which it forms a part to constitute the same legal, binding and  
6 valid obligations of the Issuer have existed, have happened and have been performed in  
7 due time, form and manner as required by law.

8 This Bond is one of an authorized issue aggregating in principal the sum of  
9 \_\_\_\_\_ Dollars (\$\_\_\_\_\_) (the "Bonds"), all of like tenor and effect except as to  
10 interest rate, number, denomination and maturity, said Bonds having been issued by the  
11 Issuer pursuant to an ordinance adopted by the governing authority of the Issuer on \_\_\_\_\_,  
12 2010 (the "Bond Ordinance"). The Bonds have been issued by the Issuer under the e  
13 authority of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as  
14 amended (the "Act"), and other constitutional and statutory authority, for the purpose of  
15 currently refunding the Issuer's Utilities Revenue Bonds, Series 1996, funding a debt  
16 service reserve for the Bonds and paying the costs of issuance.

17 This Bond and the issue of which it forms a part are payable as to both principal and  
18 interest solely from the income and revenues to be derived from the operation of the  
19 Utilities System, after provision has been made for payment therefrom of the reasonable  
20 and necessary expenses of administration, operation and maintenance of the Utilities  
21 System, and this Bond does not constitute an indebtedness or pledge of the general credit  
22 of the Issuer, within the meaning of any constitutional or statutory limitation of  
23 indebtedness. The governing authority of the Issuer has covenanted and agreed and does  
24 hereby covenant and agree to fix, establish and maintain such rates and collect such fees,  
25 rents or other charges for the services and facilities furnished by the Utilities System, as  
26 shall be sufficient to provide for the payment of all reasonable and necessary expenses of  
27 administration, operation and maintenance of the Utilities System, to provide for the  
28 payment of interest on and principal of all bonds or other obligations payable therefrom as  
29 and when the same shall become due and payable, for the creation of a reserve therefor,  
30 and for the provision of a reserve to care for extensions, additions, improvements,  
31 renewals and replacements necessary to properly operate the Utilities System. For a  
32 more complete statement of the revenues from which and conditions under which this  
33 Bond is payable, and the general covenants and provisions pursuant to which this Bond is  
34 issued and provisions permitting the issuance of pari passu additional bonds under certain  
35 circumstances, reference is hereby made to the Bond Ordinance.

36 The Bonds are issuable only as fully registered bonds in the denomination of \$5,000  
37 principal amount or any integral multiple thereof within a single maturity exchangeable for  
38 an equal aggregate principal amount of Bonds of the same maturity of any other  
39 authorized denomination.

Subject to the limitations of and upon payment of the charges provided in the Bond  
Ordinance, the transfer of this Bond may be registered on the registration books of the  
Paying Agent upon surrender of this Bond at the principal corporate trust office of the  
Paying Agent as registrar, 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


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4 the registered owner or his attorney duly authorized in writing, and thereupon a new bond  
5 or bonds of the same maturity and of authorized denomination or denominations, for the  
6 same aggregate principal amount, will be issued to the transferee. Prior to due  
7 presentment for registration of transfer of this Bond, the Issuer and the Paying Agent may  
8 deem and treat the person in whose name this Bond is registered as the absolute owner  
9 hereof for all purposes, whether or not this Bond shall be overdue and neither the Issuer  
10 nor the Paying Agent shall be bound by any notice to the contrary. Upon any such  
11 registration of transfer or exchange, the Paying Agent may require payment of an amount  
12 sufficient to cover any tax or other governmental charge that may be imposed in relation  
13 thereto and any other expenses (including the fees and expenses of the Paying Agent)  
14 connected therewith. The Paying Agent shall not be required (a) to issue, register the  
15 transfer of or exchange any Bond during a period beginning at the close of business on the  
16 15<sup>th</sup> day of the calendar month next preceding an Interest Payment Date or any date of  
17 selection of Bonds to be redeemed and ending at the close of business on the Interest  
18 Payment Date or day on which the applicable notice of redemption is given or (b) to  
19 register the transfer of or exchange any bonds so selected for redemption in whole or in  
20 part.

21 IN WITNESS WHEREOF, the Slidell City Council, the governing authority of the  
22 Issuer, has caused this Bond to be executed in the name of the Issuer by the facsimile  
23 signatures of the Mayor of the Issuer and Council Administrator of the Slidell City Council  
24 and a facsimile of its corporate seal to be imprinted hereon.

25  
26   
27 \_\_\_\_\_  
28 Thomas P. Reeves  
29 Council Administrator

CITY OF SLIDELL,  
STATE OF LOUISIANA

30 By:   
31 \_\_\_\_\_  
32 Freddy Drennan  
33 Mayor

34 \*\*\*\*\*  
35 (FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

36 This Bond one of the Bonds referred to in the within mentioned Bond Ordinance.

37 REGIONS BANK,  
38 Baton Rouge, Louisiana  
39 as Paying Agent

Date of Registration: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Officer

\*\*\*\*\*

4  
5 (FORM OF ASSIGNMENT)

6  
7 ASSIGNMENT

8 FOR VALUE RECEIVED, the undersigned, hereby sells, assigns and transfers unto

9  
10 \_\_\_\_\_  
11 *Please Insert Social Security or other Identifying Number of Assignee*

12 the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints  
13 \_\_\_\_\_ attorney or agent to transfer the within Bond on  
14 the books kept for registration thereof, with full power of substitution in the premises.

15  
16 \_\_\_\_\_  
17 Dated:

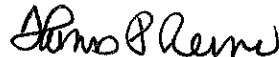
18 \_\_\_\_\_  
19 NOTICE: The signature to this assignment  
20 must correspond with the name as it appears  
21 upon the face of the within Bond in every  
22 particular, without alteration or enlargement  
23 or change whatever.

24  
25 (FORM OF LEGAL OPINION CERTIFICATE)

26  
27 LEGAL OPINION CERTIFICATE

28 I, the undersigned Council Administrator of the Slidell City Council, the governing  
29 authority of the Issuer, do hereby certify that the following is a true copy of the complete  
30 legal opinion of McGlinchey Stafford PLLC, Bond Counsel, the original of which was  
31 manually executed, dated and issued as of the date of payment for and delivery of the  
32 original bonds of the issue described therein and was delivered to the Underwriter thereof.

33 I further certify that an executed copy of the above legal opinion is on file in my  
34 office, and that an executed copy thereof has been furnished to the Paying Agent for this  
35 Bond.

36  
37  
38  
39  


\_\_\_\_\_  
Thomas P. Reeves  
Council Administrator