

1 Introduced May 22, 2012, by Councilwoman
2 Harbison, seconded by Councilman Borchert,
3 (by request of Administration)

4 **Item No. 12-04-2949**

5 **ORDINANCE NO. 3656**

6
7 An ordinance providing for the issuance and sale of not to exceed Four Million
8 Two Hundred Fifty Thousand Dollars (\$4,250,000) of Utilities Revenue Refunding Bonds,
9 Series 2012 (the "Bonds"), of the City of Slidell, State of Louisiana (the "Issuer");
10 prescribing the form, fixing the details and providing for the payment of principal of and
11 interest on said Bonds and for the rights of the owners thereof; providing for the use of the
12 proceeds of the Bonds to refund the Issuer's outstanding (i) Utilities Revenue Bonds,
13 Series 1996A and (ii) Utilities Revenue Notes, Series 2004; approving the Preliminary
14 Official Statement and Official Statement prepared in connection with the issuance of the
15 Bonds; authorizing a Notice of Redemption; providing for the employment of Bond
16 Counsel and Underwriter; and providing 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
22 WHEREAS, on May 28, 1997, the Issuer issued Three Million Nine Hundred
23 Thousand Dollars (\$3,900,000) principal amount of its Utilities Revenue Bonds, Series
24 1996A currently outstanding in the amount of \$1,325,000 (the "Series 1996A Bonds"), for
25 the purpose of constructing and acquiring improvements and extensions to the Utilities
26 System, providing for a reserve and paying the costs of issuance thereof; and

27
28 WHEREAS, on March 25, 2004, the Issuer issued Four Million One Hundred
29 Thousand Dollars (\$4,100,000) principal amount of its Utilities Revenue Notes, Series
30 2004 currently outstanding in the amount of \$2,760,000 (the "Series 2004 Notes"), for the
31 purpose of constructing and acquiring improvements and extensions to the Utilities
32 System, providing for a reserve and paying the costs of issuance thereof; and

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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 2**

4 WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised
5 Statutes of 1950, as amended (the "Refunding Act"), the Issuer is authorized to issue
6 bonds to refund the Series 1996A Bonds and the Series 2004 Notes (collectively, the
7 "Refunded Bonds"); and
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9
10 WHEREAS, the Issuer, acting through the Slidell City Council (the "Governing
11 Authority") has found and determined that it would be financially advantageous to the
12 Issuer to refund the outstanding Refunded Bonds, and would affect debt service savings to
13 the Issuer; and
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15
16 WHEREAS, pursuant to the Refunding Act, it is now the desire of the
17 Governing Authority to authorize and provide for the issuance of not to exceed Four Million
18 Two Hundred Fifty Thousand Dollars (\$4,250,000) principal amount of its Utilities Revenue
19 Refunding Bonds, Series 2012 (the "Bonds") for the purposes of (i) refunding the Refunded
20 Bonds, (ii) funding a reserve fund, if necessary and (iii) paying costs of issuance of the
21 Bonds; and
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24 WHEREAS, in connection with the issuance of the Bonds, it is necessary to
25 provide notice of the redemption of the Refunded Bonds; and
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27 WHEREAS, the Issuer herein desires to fix the details of the Bonds; and
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30 WHEREAS, it is the intention of the Issuer that the Bonds authorized herein
31 be secured by and payable solely from the income and revenues to be derived from the
32 operation of the Utilities System, after provision has been made for payment therefrom of
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4 the reasonable and necessary expenses of administration, operation and maintenance of
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6 the Utilities System (the "Net Utilities Revenues"); and

7 WHEREAS, the Bonds will be issued on a parity with the Issuer's Utilities
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9 Revenue Refunding Bonds, Series 2010, of which \$645,000 is currently outstanding and
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11 which are also secured by and payable from Net Utilities Revenues (the "Parity Bonds").

12 NOW THEREFORE BE IT ORDAINED by the Slidell City Council, acting as
13
14 governing authority of the City of Slidell, State of Louisiana, that:

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16 **ARTICLE I**
17 **DEFINITIONS AND INTERPRETATION**

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

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

23 **"Agreement"** means the Paying Agent Agreement between the Issuer and the
24 Paying Agent pursuant to this Bond Ordinance.

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

30 **"Bond"** or **"Bonds"** means any or all of the Utilities Revenue Refunding Bonds,
31 Series 2012, of the Issuer, issued pursuant to this Bond Ordinance, as the same may be
32 amended from time to time, whether initially delivered or issued in exchange for, upon
33 transfer of, or in lieu of any previously issued Bond.

34 **"Bondholder"**, **"Registered Owner"**, or **"Owner"** means the Person reflected as
35 registered owner of any of the Bonds on the registration books maintained by the Paying
36 Agent.
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1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 4**

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 Butler, Snow, O'Mara, Stevens & Cannada, PLLC.

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

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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.

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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.

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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 the Mayor of the Issuer and the President, Vice
35 President and/or Council Administrator of the Governing Authority.
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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 5**

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

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

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

15 **"Interest Payment Date"** means April 1 and October 1 of each year, commencing
16 October 1, 2012.

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

18
19 **"Maximum Annual Debt Service"** means, for any Bond Year, the highest amount
20 of principal and interest payable on the Bonds for any such period.

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

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

- 27
28 (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying
29 Agent for cancellation;
- 30 (b) Bonds in exchange for or in lieu of which other Bonds have been registered
31 and delivered pursuant to the Bond Ordinance; and
- 32
33 (c) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have
34 been paid as provided in the Bond Ordinance or by law.

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

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1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 6**

4 **"Parity Bonds"** means the Issuer's Utilities Revenue Refunding Bonds, Series
5 2010 of which \$645,000 is currently outstanding.

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

10 **"Permitted Investments"** means those certain investments set forth in La. R.S.
11 33:2955, as amended.

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

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

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

21
22 **"Refunding Act"** means the applicable provisions of Chapter 14-A of Title 39 of the
23 Louisiana Revised Statutes of 1950, as amended.

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

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28 **"Series 1996A Bonds"** means the Issuer's Three Million Nine Hundred Thousand
29 Dollars (\$3,900,000) of Utilities Revenue Bonds, Series 1996A, currently outstanding in the
30 amount of \$1,325,000, which are being refunded with the proceeds of the Bonds.

31 **"Series 2004 Notes"** means the issuer's Four Million One Hundred Thousand
32 Dollars (\$4,100,000) principal amount of its Utilities Revenue Notes, Series 2004, currently
33 outstanding in the amount of \$2,760,000, which are being refunded with the proceeds of
34 the Bonds.

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

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

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4 **"Utilities System"** means the revenue producing public utility comprised of the
5 combined waterworks system and sewer system of the Issuer, presently servicing
6 substantially all of the potable water and sewerage users in the Issuer, and any future
7 additions thereto, as said systems now exist and as the same may be improved, extended
8 or supplemented from any source while any of the Bonds remain outstanding, including all
9 real estate, personal and intangible properties, contracts, franchises, leases and choices in
10 action, and including specifically all properties now or hereafter operated by the Issuer
11 under lease or agreement with any other individual, partnership or corporation, public or
12 private, as a part of the Utilities System, whether lying within or without the boundaries of
13 the Issuer.

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

20 **ARTICLE II**
AUTHORIZATION AND ISSUANCE OF BONDS

21 SECTION 2.1. Authorization of Bonds. Under the authority of the Refunding Act,
22 there is hereby authorized the issuance of not to exceed Four Million Two Hundred Fifty
23 Thousand Dollars (\$4,250,000) of the Issuer's Utilities Revenue Refunding Bonds, Series
24 2012, in one or more series, for the purpose of: (i) refunding the Refunded Bonds, (ii)
25 establishing a debt service reserve fund, if necessary and (iii) paying the costs of issuance
26 of the Bonds.

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

37 SECTION 2.3. Obligation of Bonds. The Bonds shall be payable as to both
38 principal and interest solely from the Net Utilities Revenues, pursuant to the Constitution
39 and laws of the State of Louisiana. The Net Utilities Revenues are hereby irrevocably and

1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 8**

4 irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds in
5 principal, premium, if any, and interest as they shall respectively become due and payable,
6 and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Net
7 Utilities Revenues shall be set aside in a separate fund, as hereinafter provided, and shall
8 be and remain pledged for the security and payment of the Bonds, the Parity Bonds and
9 any Additional Parity Obligations issued pursuant to Section 7.3 hereof, in principal,
10 premium, if any, and interest and for all other payments provided for in this Bond
Ordinance until such Bonds shall have been fully paid and discharged.

11 SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the
12 Refunding Act, there is hereby authorized the issuance of not to exceed Four Million Two
13 Hundred Fifty Thousand Dollars (\$4,250,000) principal amount of Bonds of the Issuer to be
14 designated "Utilities Revenue Refunding Bonds, Series 2012, of the City of Slidell, State of
15 Louisiana," to be issued in one or more series, for the purposes set forth in Section 2.1
16 above. The Bonds shall be in substantially the form set forth in **Exhibit A** hereto, with
17 such necessary or appropriate variations, omissions and insertions as are required or
permitted by the Refunding Act and this Bond Ordinance.

18 SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds shall be
19 issued, in one or more series, as fully registered bonds without coupons in the
20 denominations of \$5,000 principal amount or any integral multiple thereof within a single
21 maturity, and shall be numbered R-1 upward. The Bonds shall be dated the date of their
22 issuance, shall bear interest from the date thereof or from the most recent Interest
23 Payment Date to which interest has been paid or duly provided for, payable on each
24 Interest Payment Date, commencing October 1, 2012, at a rate not to exceed 5.000% per
25 annum (using a year of 360 days comprised of twelve (12) 30-day months) and shall
26 mature on April 1, in the years and in the principal amounts as set forth in the purchase
27 agreement executed between the Issuer and the Underwriter or initial purchaser of the
Bonds, within the authorization and parameters set forth in this Bond Ordinance.

28 SECTION 2.6. The principal of and premium, if any, on the Bonds are payable in
29 such coin or currency of the United States of America as at the time of payment is legal
30 tender for payment of public and private debts at the corporate trust office of the Paying
31 Agent in Baton Rouge, Louisiana upon presentation and surrender thereof. Interest on the
32 Bonds is payable by check mailed on or before the Interest Payment Date by the Paying
33 Agent to the Owner thereof (determined at the close of business on the Record Date) at
34 the address of such Owner as it appears on the registration books of the Paying Agent
35 maintained for such purpose. Except as otherwise provided in this Section, Bonds shall
36 bear interest from date thereof or from the most recent Interest Payment Date to which
37 interest has been paid or duly provided for, as the case may be, provided, however, that if
38 and to the extent that the Issuer shall default in the payment of the interest on any Bonds
39 due on any Interest Payment Date, then all such Bonds shall bear interest from the most

4 recent Interest Payment Date to which interest has been paid on the Bonds, or if no
5 interest has been paid on the Bonds, from their dated date. The person in whose name
6 any Bond is registered at the Record Date with respect to an Interest Payment Date shall
7 in all cases be entitled to receive the interest payable on such Interest Payment Date
8 (unless such Bond has been called for redemption on a redemption date which is prior to
9 such Interest Payment Date) notwithstanding the cancellation of such Bond upon any
10 registration of transfer or exchange thereof subsequent to such Record Date and prior to
11 such Interest Payment Date.

12 **SECTION 2.7. Parity Bonds.** The Bonds are being issued on a parity with the
13 Parity Bonds, and the Bonds shall rank equally with and enjoy complete parity of lien with
14 the Parity Bonds on Net Utilities Revenues. The Issuer does hereby find, determine and
15 declare that it has complied or will comply prior to the delivery of the Bonds, with all terms
16 and conditions set forth in the ordinances governing the issuance of the Parity Bonds, with
17 respect to authorizing the issuance of the Bonds on a parity with the Parity Bonds.

18 **ARTICLE III**
19 **GENERAL TERMS AND PROVISIONS OF THE BONDS**

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

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

29 At the option of the Bondholder, Bonds may be exchanged for other Bonds of
30 authorized denominations of the same maturity and like aggregate principal amount, upon
31 surrender of the Bonds to be exchanged at said office. Whenever any Bonds are so
32 surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor
33 the Bond or Bonds which the Bondholder making the exchange shall be entitled to receive.
34 All Bonds presented for registration of transfer or exchange shall be accompanied by a
35 written instrument or instruments of transfer in form and with a guaranty of signature
36 satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly
37 authorized in writing. The Paying Agent may require payment by the person requesting an
38 exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other
39 governmental charge that may be imposed in relation thereto and any other expenses
(including the fees and expenses of the Paying Agent) connected therewith. The Issuer

1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 10**

4 and the Paying Agent shall not be required (a) to issue, register the transfer of or
5 exchange any Bond during a period beginning at the close of business on a Record Date
6 or any date of selection of Bonds to be redeemed and ending at the close of business on
7 the Interest Payment Date or day on which the applicable notice of redemption is given or
8 (b) to register the transfer of or exchange any Bond so selected for redemption in whole or
9 in part. All Bonds delivered upon any registration of transfer or exchange of Bonds shall
10 be valid obligations of the Issuer, evidencing the same debt and entitled to the same
11 benefits under this Bond Ordinance as the Bonds surrendered. Prior to due presentment
12 for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent of
13 the Issuer or the Paying Agent may deem and treat the person in whose name any Bond is
14 registered as the absolute owner thereof for all purposes, whether or not such Bond shall
15 be overdue, and shall not be bound by any notice to the contrary.

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

35 **SECTION 3.3. Cancellation of Bonds.** All Bonds paid or redeemed either at or
36 before maturity, together with all Bonds purchased by the Issuer, shall thereupon be
37 promptly canceled by the Paying Agent. The Paying Agent shall thereupon promptly

4 furnish to the Council Administrator of the Governing Authority an appropriate certificate of
5 cancellation.

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7 **SECTION 3.4. Execution.** The Bonds shall be executed in the name and on
8 behalf of the Issuer by the manual or facsimile signature of the Mayor and attested by a
9 second Executive Officer of the Issuer, and the corporate seal of the Issuer (or a facsimile
10 thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon.
11 In case any one or more of the officers who shall have signed or sealed any of the Bonds
12 shall cease to be such officer before the Bonds so signed and sealed shall have been
13 actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and
14 may be issued as if the person who signed or sealed such Bonds had not ceased to hold
15 such office. Said officers shall, by the execution of the Bonds, adopt as and for their own
16 proper signatures their respective facsimile signatures appearing on the Bonds or any
17 legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the
18 facsimile signature of any person or persons who shall have been such officer at any time
19 on or after the date of such Bond, notwithstanding that at the date of such Bond such
20 person may not have held such office or that at the time when such Bond shall be
21 delivered such person may have ceased to hold such office.

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

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ARTICLE IV
APPLICATION OF PROCEEDS

SECTION 4.1. Application of Bond Proceeds.

- (a) Upon delivery of the Bonds and receipt of the proceeds thereof and certain other funds currently held by the Issuer for the benefit of the Refunded Bonds by the Paying Agent, an amount equal to the Reserve Fund Requirement shall be deposited to the Reserve Fund and held in accordance with Section 5.3(c) below.
- (b) After making the deposit described in (a) above, the Paying Agent shall pay Costs of Issuance in accordance with the Agreement. The remaining funds shall be used by the Paying Agent to redeem the Refunded Bonds in full on the closing date.

4 **ARTICLE V**
5 **PAYMENT OF BONDS; DISPOSITION OF FUNDS**

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7 SECTION 5.1. Deposit of Funds with Paying Agent. The Issuer covenants that it
8 will deposit or cause to be deposited with the Paying Agent from the moneys on deposit in
9 the Sinking Fund or other funds available for such purpose, at least three (3) Business
10 Days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the
11 principal, premium, if any, and interest so falling due on such date.

12 SECTION 5.2. Security for Bond Funds. All of the income and revenues to be
13 earned from the operation of the Utilities System shall be deposited daily as provided in
14 Section 5.3 hereof in the Utilities System Fund, which fund shall be maintained separate
15 and apart from all other funds of the Issuer. The Sinking Fund and the Reserve Fund
16 (both as hereinafter defined) shall be held by either the Issuer's fiscal agent bank or the
17 Paying Agent, pursuant to the Agreement, as special trust funds for the purposes provided
18 in this Bond Ordinance, and all other funds shall be held by said bank as special deposits
19 for the purposes set forth in this Bond Ordinance, and subject to such reasonable
20 instructions as the Issuer may give in writing to the depository bank. The Owners are
21 hereby granted a lien on all funds established pursuant to the requirements of this Bond
22 Ordinance until applied in the manner herein provided.

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

- 31
- 32 (a) The payment of all reasonable and necessary expenses of administering,
33 operating and maintaining the Utilities System not paid from other revenues,
34 including, specifically, ad valorem taxes;
 - 35 (b) The maintenance of a "Revenue Refunding Bond Sinking Fund" (the
36 "Sinking Fund") in an amount sufficient to pay promptly and fully the principal
37 of and the interest on the Bonds herein authorized and the Parity Bonds,
38 including any Additional Parity Obligations issued hereafter in the manner
39 provided by this Bond Ordinance, as they severally become due and
payable, by transferring from the Utilities System Fund to the Sinking Fund
monthly in advance on or before the twentieth (20th) day of each month of
each year, a fractional amount of the interest on the Bonds and the Parity

4 Bonds falling due on the next Interest Payment Date and a fractional amount
5 of the principal of the Bonds and the Parity Bonds falling due on the next
6 principal payment date, such fractions being equal to the number one (1)
7 divided by the number of months preceding such Interest Payment Date or
8 principal payment date, as the case may be, since the last interest or
9 principal payment date, as the case may be, so that by making equal
10 monthly payments the Issuer will always provide the necessary sums
11 required to be on hand on each interest and principal payment date, together
12 with such additional proportionate sum as may be required so that sufficient
13 moneys will be available in the Sinking Fund to pay said principal and
14 interest as the same respectively become due. The depositary bank for the
15 Sinking Fund shall transfer from the Sinking Fund to the Paying Agent, at
16 least three (3) days in advance of the date on which each payment of
17 principal and interest falls due, funds sufficient to pay promptly the principal
18 and interest so falling due on such date: and

- 17 (c) The establishment and maintenance of a " Series 2012 Revenue Refunding
18 Bond Reserve Fund" (the "Reserve Fund") with either the fiscal agent bank
19 or the Paying Agent by depositing Bond proceeds or other funds previously
20 held for the benefit of the Refunded Bonds, upon delivery of the Bonds, a
21 sum equal to the Reserve Fund Requirement, and by making any further
22 deposits as hereinafter provided so that there will be on deposit in the
23 Reserve Fund an amount equal to the Reserve Fund Requirement. The
24 money in the Reserve Fund shall be retained solely for the purpose of
25 paying the principal of and interest on the Bonds as to which there would
26 otherwise be default.

26 If at any time it shall be necessary to use moneys in the Reserve Fund for the
27 purpose of paying principal or interest on the Bonds as to which there would otherwise be
28 default, then the moneys so used shall be replaced from the revenues of the Utilities
29 System first thereafter received, not hereinabove required for the purposes described in (a)
30 and (b) of this Section 5.3, it being the intention hereof that there shall as nearly as
31 possible be at all times on deposit in the Reserve Fund an amount equal to the Reserve
32 Fund Requirement.

32 All or any part of the moneys in the Utilities System Fund, Sinking Fund and
33 Reserve Fund shall, at the written request of the Issuer, may be invested in Permitted
34 Investments and such investments shall, to the extent at any time necessary, be liquidated
35 and the proceeds thereof applied to the purposes for which such funds are created. All
36 income or earnings from such investments shall be deposited in the Utilities System Fund
37 as income and revenues of the Utilities System.

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

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

10
11 SECTION 5.4. Method of Valuation and Frequency of Valuation. In computing the
12 amount in any fund provided for in Section 5.3, Permitted Investments shall be valued at
13 the lower of the cost or the market price, exclusive of accrued interest. With respect to all
14 funds and accounts (except the Reserve Fund), valuation shall occur annually. The
15 Reserve Fund shall be valued semi-annually, except in the event of a withdrawal from the
16 Reserve Fund, whereupon it shall be valued immediately after such withdrawal.

17
18 **ARTICLE VI**
REDEMPTION OF BONDS

19 SECTION 6.1. Redemption Provisions. The Bonds shall be callable for redemption
20 as set forth therein.

21
22 **ARTICLE VII**
PARTICULAR COVENANTS, ADDITIONAL PARITY BONDS

23
24 SECTION 7.1. Obligation of the Issuer in Connection with the Issuance of the
25 Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates
26 itself to deposit the proceeds of the Bonds as described in Section 4.1 hereof.

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

31 SECTION 7.3. Issuance of Additional Parity Obligations. All of the Bonds shall
32 enjoy complete parity of lien along with the Parity Bonds on the Net Utilities Revenues
33 despite the fact that any of the Bonds may be delivered at an earlier date than any other of
34 the Bonds. The Issuer shall issue no Additional Parity Obligations having priority over or
35 parity with the Bonds, provided, however, that Additional Parity Obligations may hereafter
36 be issued on a parity with the Bonds to refund the Bonds or the Parity Bonds or under the
37 following conditions:
38
39

- 4 (a) The Net Utilities Revenues must in each of the two (2) completed Fiscal
5 Years immediately preceding the issuance of the additional bonds have
6 been not less than one and three-tenths (1.3) times the highest combined
7 principal and interest requirements for any succeeding Fiscal Year period on
8 all bonds then outstanding, including any pari passu additional bonds
9 theretofore issued and then outstanding which are payable from the Net
10 Utilities Revenues (but not including bonds which have been refunded or
11 provision otherwise made for their full and complete payment and
12 redemption) and the bonds so proposed to be issued; and
- 13 (b) There must be no delinquencies in payments required to be made into the
14 various funds established by Section 5.3 hereof; and
- 15 (c) The existence of the facts required by paragraph (a) and (b) above must be
16 determined and certified to by the Director of Finance; and
- 17 (d) The proceeds of the additional bonds must be used solely for the making of
18 improvements, extensions, renewals, replacements or repairs to the Utilities
19 System.

20 For the purpose of this section, debt service calculations shall include mandatory
21 sinking fund installments, if any.
22

23
24 **ARTICLE VIII**
25 **SUPPLEMENTAL BOND ORDINANCES**

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

- 31 (a) to add to the covenants and agreements of the Issuer in this Bond
32 Ordinance other covenants and agreements to be observed by the Issuer
33 which are not contrary to or inconsistent with this Bond Ordinance as
34 theretofore in effect;
- 35 (b) to add to the limitations and restrictions in this Bond Ordinance other
36 limitations and restrictions to be observed by the Issuer which are not
37 contrary to or inconsistent with this Bond Ordinance as thereto fore in effect;
38
39

- 4 (c) to surrender any right, power or privilege reserved to or conferred upon the
5 Issuer by the terms of this Bond Ordinance, but only if the surrender of such
6 right, power or privilege is not contrary to or inconsistent with the covenants
7 and agreements of the Issuer contained in this Bond Ordinance;
- 8 (d) to cure any ambiguity, supply any omission, or cure or correct any defect or
9 inconsistent provision of this Bond Ordinance; or
- 10 (e) to insert such provisions clarifying matters or questions arising under this
11 Bond Ordinance as are necessary or desirable and are not contrary to or
12 inconsistent with this Bond Ordinance as theretofore in effect.

13
14 **SECTION 8.2. Supplemental Ordinances Effective With Consent of Bondholders.**
15 Except as provided in Section 8.1 above, any modification or amendment of this Bond
16 Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds
17 hereunder, in any particular, may be made by a supplemental ordinance, with the written
18 consent of the Owners of a majority of the Bonds outstanding at the time such consent is
19 given. No such modification or amendment shall permit a change in the terms of
20 redemption or maturity of the principal of any outstanding Bond or of any installment of
21 interest thereon or a reduction in the principal amount or the redemption price thereof or in
22 the rate of interest therein without the consent of the Owner of such Bond, or shall reduce
23 the percentages of Bonds the consent of the Owner of which is required to effect any such
24 modification or amendment, or change the obligation of the Issuer to levy rates and
25 changes for the payment of the Bonds as provided herein, without the consent of the
26 Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or
27 obligations of the Paying Agent without its written consent thereto. For the purposes of
28 this Section, Bonds shall be deemed to be affected by a modification or amendment of this
29 Bond Ordinance if the same adversely affects or diminishes the rights of the Owner of said
30 Bonds.

31
32 **ARTICLE IX**
33 **RATES AND CHARGES; COVENANTS AS TO THE**
34 **MAINTENANCE AND OPERATION OF THE UTILITIES SYSTEM**

35 **SECTION 9.1. Obligation to Fix Rates.** The Issuer, through the Governing
36 Authority, hereby covenants to fix, establish and maintain such rates and collect such fees,
37 rents or other charges for the services and facilities of the Utilities System and all parts
38 thereof, and to revise the same from time to time whenever necessary, as will always
39 provide revenues in each year at least sufficient to pay (i) the necessary expenses of
administering, operating and maintaining the Utilities System in such year, (ii) the principal
and interest maturing on the Bonds, the Parity Bonds and any Additional Parity Obligations
in such year, (iii) all Reserve or Sinking Funds or other payments required for such year by

1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 17**

4 this Bond Ordinance and the ordinances governing the Parity Bonds and any Additional
5 Parity Obligations, and (iv) all other obligations and indebtedness payable out of the
6 income and revenues of the Utilities System during such year, and which will in any event
7 provide Net Utilities Revenues, at least equal to 120% of the largest amount of principal
8 and interest maturing on the Bonds, the Parity Bonds and any Additional Parity Obligations
9 in any future Fiscal Year, and that such rates, fees, rents or other charges shall not at any
10 time be reduced so as to be insufficient to provide adequate revenues for such purposes.

11 **SECTION 9.2. Schedule of Rates and Charges.** Except as otherwise provided,
12 nothing in this Bond Ordinance or in the Bonds shall be construed to prevent the Issuer
13 from altering, amending or repealing from time to time as may be necessary any
14 ordinances setting up and establishing a schedule or schedules of rates and charges for
15 the services and facilities to be rendered by the Utilities System, said alterations,
16 amendments or repeals to be conditioned upon the continued preservation of the rights of
17 the Owners with respect to the income and revenues of the Utilities System, not alone for
18 the payment of the principal of and the interest on the Bonds, but to give assurance and
19 insure that the income and revenues of the Utilities System shall be sufficient at all times to
20 meet and fulfill the other provisions stated and specified in Section 5.3 of this Bond
21 Ordinance. It is understood and agreed, however, that the Issuer shall fix, establish and
22 maintain such rates and collect such fees, rents or other charges for the services and
23 facilities to be rendered by the Utilities System, irrespective of the user thereof, that no free
24 services or facilities shall be furnished to any person, association of persons or
25 corporation, public or private, except the Issuer itself, and that, except for 52 existing un-
26 metered accounts, all services shall be metered, and that no discrimination shall be made
27 as to rates and charges for the services and facilities of the Utilities System as between
28 users of the same type or class, provided, however, the Issuer shall not be required to
29 meter water used for firefighting purposes through its fire hydrants, but the Issuer hereby
30 agrees to pay from its general revenues a minimum annual rental of Twenty-Five Dollars
31 (\$25.00) per year for each fire hydrant connected to the Utilities System and available for
32 fire fighting. The Issuer agrees that all charges owed by any individual, partnership or
33 corporation for water and sewer rendered by the Utilities System shall be billed and
34 collected as a unit; that failure of any individual, partnership or corporation to pay said
35 combined charge within twenty (20) days of the date on which it is billed shall cause such
36 charge to become delinquent; that if such delinquent charge, with penalties accrued
37 thereon, is not paid within thirty (30) days from the date on which it became delinquent, the
38 Issuer will shut off water service to the affected premises, provided, however, that the
39 Issuer maintains the discretion to make reasonable decisions as to the timing of
disconnections; and that the Issuer and its officials, agents and employees will do all things
necessary and will take advantage of all remedies afforded by law to collect and enforce
the prompt payment of all charges made for utilities services rendered by the Utilities
System. All delinquent charges for such services shall on the date of delinquency have
added thereto a penalty of ten percent (10%) of the amount of the charge. If service shall

1 **ORDINANCE NO. 3656**

2 **ITEM NO. 12-04-2949**

3 **PAGE 18**

4 be discontinued as above provided, the customer shall in addition to paying the delinquent
5 charges and penalties, pay as a condition precedent to the resumption of service, a
6 reasonable re-connection charge of not less than Fifteen Dollars (\$15.00) for each service
7 resumed. It is further understood and agreed that the schedule of rates, fees, rents and
8 other charges being charged as of the date of the adoption of this Bond Ordinance for
9 services and facilities rendered by the Utilities System shall remain in effect and neither
10 said existing schedule nor any subsequent schedule shall be reduced at any time unless
11 all payments required for all funds by this Bond Ordinance, including any deficiencies for
12 prior payments, have been fully made, and unless such schedule as so reduced will in
13 each year thereafter produce sufficient revenues to meet and fulfill the other provisions
14 stated and specified in Sections 5.3 and 9.1 of this Bond Ordinance.

15 **SECTION 9.3. Pledge of Net Utilities Revenues.** In providing for the issuance of
16 the Bonds, the Issuer does hereby covenant and warrant that it will be lawfully seized and
17 possessed of the Utilities System, that it has a legal right to pledge the Net Utilities
18 Revenues as herein provided, that the Bonds, together with the Parity Bonds and any
19 Additional Parity Obligations hereafter issued as provided in this Bond Ordinance, will have
20 a lien and privilege on Net Utilities Revenues, and that the Issuer will at all times maintain
21 the Utilities System in first class repair and working order and condition.

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

31 **SECTION 9.5. Accounting for System Revenues.** So long as any of the Bonds
32 herein authorized are outstanding and unpaid in principal or interest, the Issuer shall
33 maintain and keep proper books of record and accounts in which shall be made full and
34 correct entries of all transactions relating to the Utilities System. Not later than three (3)
35 months after the close of each Fiscal Year, the issuer shall cause the commencement of
36 an audit of such books and accounts begun by a recognized independent firm of certified
37 public accountants, showing the receipts of and disbursements made for the account of
38 the Utilities System, and such audit shall be completed within one hundred eighty (180)
39 days of the close of such Fiscal Year, unless such date is extended by the laws of the
State of Louisiana in the event of a natural disaster or similar event. Such audit shall be
available for inspection by the Owner of any of the Bonds herein authorized, and a copy of
such audit shall be furnished to any Owner who requests the same. Each such audit, in

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 19**

4 addition to whatever matters may be thought proper by the accountant to be included
5 therein, shall include the following:

- 6 1. A statement in detail of the income and expenditures of the Utilities System for
7 such Fiscal Year.
- 8 2. A balance sheet as of the end of such Fiscal Year.
- 9 3. The accountant's comments regarding the manner in which the Issuer has
10 carried out the requirements of this Bond Ordinance, and the accountant's
11 recommendations for any changes or improvements in the operation of the
12 Utilities System or the method of keeping the records relating thereto.
- 13 4. A list of the insurance policies in force at the end of the Fiscal Year, setting out
14 as to each policy the amount of the policy, the risks covered, the name of the
15 insurer and the expiration date of the policy.
- 16 5. The number of metered water customers and the number of unmetered water
17 customers, if any, at the end of the Fiscal Year.
- 18 6. An analysis of additions, replacements and improvements to the physical
19 properties of the Utilities System.
- 20
- 21
- 22

23 All expenses incurred in the making of the audits required by this Section shall be
24 regarded and paid as a maintenance and operation expense. The Issuer further agrees
25 that the Underwriter of the Bonds, the Paying Agent and the Owners shall have the right to
26 discuss with the accountant making the audit the contents of the audit and to ask for such
27 additional information as may be reasonably required. The Issuer further agrees to furnish
28 to the Underwriter of the Bonds or to such other parties as it shall designate in writing, or
29 upon written request, to any Owner, a monthly statement itemized to show the income and
30 expenses of the operation of the Utilities System and the number of connections for the
31 preceding month. The Issuer further agrees that said Underwriter, the Paying Agent and
32 the Owners shall have at all reasonable times the right to inspect the Utilities System and
33 the records, accounts and data of the Issuer relating thereto.

34 **SECTION 9.6. Rights of Owners.** That the Owners of the Bonds shall be entitled
35 to exercise all rights and powers for which provision is made in the laws of the State,
36 particularly Chapter 10, Part I, Subpart C of Title 33 of the Louisiana Revised Statutes of
37 1950. Any Owners of said Bonds issued under the provisions of this Bond Ordinance, or
38 any paying agent acting for such Owners in the manner hereinafter provided, may, either
39 at law or in equity, by suit, action, mandamus or other proceeding in any court of
competent jurisdiction, protect and enforce any and all rights under the laws of the State,

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 20**

4 or granted and contained in this Bond Ordinance, and may enforce and compel the
5 performance of all duties required by this Bond Ordinance or by any applicable statutes to
6 be performed by the Issuer or by any agency, board or officer thereof, including the fixing,
7 charging and collection of rentals, fees or other charges for the use of the Utilities System,
8 and in general to take any action necessary to most effectively protect the rights of said
9 Owners.

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

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

29 Whenever all that is due upon the Bonds issued pursuant to this Bond Ordinance,
30 and interest thereon, and under any covenants of this Bond Ordinance for all funds herein
31 required, and upon any other obligations and interest thereon, having a charge, lien or
32 encumbrance upon the fees, rentals or other revenues of the Utilities System, shall have
33 been paid and made good, and all defaults under the provisions of this Bond Ordinance
34 shall have been cured and made good, possession of the Utilities System shall be
35 surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any
36 subsequent default, an Owner of Bonds issued pursuant to the Bond Ordinance, or any
37 paying agent appointed for Owners hereinafter provided, shall have the same right to
38 secure the further appointment of a receiver upon such subsequent default.

39 Such receiver, shall in the performance of the powers hereinabove conferred upon
him, be under the direction and supervision of the court making such appointment, shall at
all times be subject to the orders and decrees of such court, and may be removed thereby

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 21**

4 and a successor receiver appointed in the discretion of such court. Nothing herein
5 contained shall emit or restrict the jurisdiction of such court to enter such order and further
6 orders and decrees as such court may deem necessary or appropriate for the exercise by
7 the receiver of any function not specifically set forth herein.

8 Any receiver appointed as provided herein shall hold and operate the Utilities
9 System in the name of the Issuer and for the joint protection and benefit of the Issuer and
10 Owners of Bonds issued pursuant to this Bond Ordinance. Such receiver shall have no
11 power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character
12 belonging or pertaining to the Utilities System but the authority of such receiver shall be
13 limited to the possession, operation and maintenance of the Utilities System for the sole
14 purpose of the protection of both the Issuer and Owners and the curing and making good
15 of any default under the provisions of this Bond Ordinance, and the title to and the
16 ownership of the Utilities System shall remain in the Issuer, and no court shall have any
17 jurisdiction to enter any order or decree permitting or requiring such receiver to sell,
18 mortgage or otherwise dispose of any assets of the Utilities System except with the
19 consent of the Issuer and the Owners of not less than three-fourths (3/4) of the principal
20 amount of the Bonds then outstanding, and in such manner as the court shall direct.

21 The Owners of Bonds in an aggregate principal amount of not less than fifty percent
22 (50%) of Bonds issued under this Bond Ordinance then outstanding may by a duly
23 executed certificate in writing appoint a Paying Agent for Owners of Bonds issued pursuant
24 to this Bond Ordinance with authority to represent such Owners in any legal proceedings
25 for the enforcement and protection of the rights of such Owners. Such certificate shall be
26 executed by such Owners, or their duly authorized attorneys or representatives, and shall
27 be filed in the office of the Governing Authority.

28 SECTION 9.7. Sale or Lease of Utilities System. So long as any of the Bonds
29 authorized are outstanding in principal and interest, the Issuer shall be bound and
30 obligated not to sell, lease, encumber, or in any manner dispose of the Utilities System or
31 any substantial part thereof; provided, however, that this covenant shall not be construed
32 to prevent the disposal by the Issuer of property which in its judgment has become
33 inexpedient to use in connection with the Utilities System when other property of equal
34 value is substituted therefor, or the proceeds derived from the sale of such property are
35 used for the purpose of making extensions, improvements or additions to, or renewal of
36 capital assets of the Utilities System.

37 SECTION 9.8. Priority of Lien. Except as provided in Section 7.3 of this Bond
38 Ordinance, the Issuer hereby covenants that it will not voluntarily create or cause to be
39 created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge
40 whatsoever having priority over or on a parity with the lien of the Bonds issued pursuant to

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 22**

4 this Bond Ordinance and the interest thereon upon the Net Revenues pledged as security
5 therefor in this Bond Ordinance.

6
7 SECTION 9.9. Franchise. So long as any of the Bonds herein authorized are
8 outstanding and unpaid in principal or interest, the Issuer obligates itself not to grant a
9 franchise to any competing utility for operation within the boundaries of the Issuer, and
10 also obligates itself to oppose the granting of any such franchise by any other public board
11 having jurisdiction over such matters. Further, the Issuer shall maintain its corporate
identity and existence as long as any of the Bonds herein authorized remain outstanding.

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

19
20 Acting in the exercise of its police powers, the Issuer shall take all action necessary
21 to require every owner, tenant or occupant of each lot or parcel of land in the Issuer which
22 abuts upon a street or other public way containing a sewer line and upon which lot or
23 parcel a building shall have been constructed for residential, commercial or industrial use,
24 to connect said buildings with the Utilities System and to cease to use any other method
25 for the disposal of sewerage, sewerage waste or other polluting matter. All such
26 connections shall be made in accordance with rules and regulations to be adopted from
time to time by the Governing Authority, which rules and regulations may provide for an
inspection charge to assure the proper making of such connection.

27
28 In addition to all other rights and remedies available to be used for the enforcement
29 of sewerage charges and for the compelling of the making of sewerage connections as
30 aforesaid, the Issuer shall exercise and enforce promptly and efficiently all rights given it
31 under the laws of Louisiana for the enforcement and collection of such charges, and
particularly those rights and remedies given it by the Act.

32
33 SECTION 9.12. Consulting Engineer. It is recognized and understood that in
34 purchasing and accepting delivery of the Bonds herein authorized, the Underwriter thereof
35 have relied, and the Owners of the Bonds from time to time will rely, upon representations
36 made by the Issuer that the Utilities System will be economically and efficiently operated
37 so that both the Issuer and the Owners of the Bonds may benefit through the production of
38 maximum revenues. To this end, the Issuer hereby covenants and agrees that in the
event it should default in making the payments required by Section 7.2 of this Bond

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 23**

4 Ordinance, it will retain a nationally known consulting utility engineer or firm of consulting
5 utility engineers (in this Bond Ordinance referred to as "Consulting Engineer") for the
6 purpose of providing the Issuer with proper engineering counsel in the operation of the
7 Utilities System until such time as all such defaults have been cured and satisfied. The
8 Consulting Engineer shall be retained on an annual basis at such reasonable
9 compensation as may be found by the Governing Authority and the payment of such
10 compensation shall be considered to be one of the costs of maintaining and operating the
11 Utilities System. The Consulting Engineer retained under the provision of this Bond
12 Ordinance may be replaced at any time by another engineer or firm of engineers appointed
13 or retained by the Issuer, provided no such engineer may be replaced until an ordinance
14 setting forth the just cause for such action, adopted by the Governing Authority, shall have
15 been filed with the Council Administrator of the Governing Authority, the Underwriter of the
16 Bonds and with the Consulting Engineer, and thereafter a public hearing thereon shall
17 have been conducted by the Governing Authority at which all interested persons are given
18 an opportunity to be heard, after which the Governing Authority may make such
19 replacement if so directed by at least a two-thirds (2/3) vote of the Governing Authority
20 taken at a regular meeting. If the Consulting Engineer is ever appointed, retained or
21 replaced as above provided, such engineer or successor engineer shall be selected with
22 special reference to his knowledge and experience in the construction and operation of
23 publicly owned utility properties and shall be retained under contract at such reasonable
24 compensation as my from time to time be agreed upon by the Governing Authority and the
25 engineer.

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

31 Said Consulting Engineer as retained as hereinabove provided, shall annually
32 inspect the Utilities System and the records relating thereto, and within three (3) months
33 after the close of the Fiscal Year he shall prepare a written report detailing the operations
34 of the Utilities System during the preceding year, the condition and maintenance of the
35 properties thereof, the efficiency of the management of the property, the proper and
36 adequate keeping of books of account and record, the adherence to budget and budgetary
37 control provisions, the adherence to all the provisions of this Bond Ordinance, and any
38 other things having a bearing upon the efficient and profitable operation of the Utilities
39 System as the Consulting Engineer feels should be contained in the report. Said
Consulting Engineer shall also submit in said report such recommendations for
maintenance, insurance, operation, repairs, renewals, replacements, extensions,
betterments and improvements as he may deem proper. Copies of such report shall be

4 placed on file with the Council Administrator of the Governing Authority and said report
5 shall be furnished to any Owner of any of said Bonds upon request.

6
7 It shall also be the duty of the Consulting Engineer to advise the Issuer as to any
8 changes or revisions of rates, fees, rents or other charges for services and facilities
9 rendered or furnished by the Utilities System, and the Issuer agrees to make no revisions
10 therein which are not approved by the Consulting Engineer except that changes or
11 revisions of such rates, fees, rents or other charges may be made without the approval of
12 the Consulting Engineer if the Governing Authority by ordinance adopted by two-thirds
13 (2/3) of its members shall order such changes or revisions and call a public hearing to be
14 held thereon within thirty (30) days from the adoption of the ordinance. Not less than ten
15 (10) days notice of such hearing shall be given to all interested parties, including the
16 Consulting Engineer, and the Underwriter of the Bonds heron authorized. Sixty (60) days
17 before the close of each Fiscal Year the Issuer shall, in conjunction with the Consulting
18 Engineer, prepare a budget for the ensuing year's operation of the Utilities System. No
19 expenditure for the operation, maintenance and repairs of the Utilities System in excess of
20 the amounts stated in the budget shall be made in any year unless authorized by the
21 Governing Authority and approved by the Consulting Engineer.

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

26
27 **ARTICLE X**
28 **CONCERNING FIDUCIARIES**

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

36 **SECTION 10.2. Successor Paying Agent.** Any successor Paying Agent shall (i)
37 be a trust company or bank in good standing, located in or incorporated under the laws of
38 the State, duly authorized to exercise trust powers and subject to examination by federal or
39 state authority and (ii) have a reported capital and surplus of not less than \$75,000,000.
The Paying Agent may be removed at any time at the request of the Issuer, for any breach
of the trust set forth herein. Notwithstanding any other provision of this Bond Ordinance,
no removal, resignation or termination of the Paying Agent shall take effect until a
successor acceptable to the Issuer shall be appointed.

4 **ARTICLE XI**
5 **MISCELLANEOUS**

6 SECTION 11.1. Evidence of Signatures of Bondholders and Ownership of Bonds.

7
8 (a) Any request, consent, revocation of consent or other instrument which the
9 Bond Ordinance may require or permit to be signed and executed by the
10 Owners may be in one or more instruments of similar tenor, and shall be
11 signed or executed by such Owners in person or by their attorneys-in-fact
12 appointed in writing. Proof of (i) the execution of any such instrument, or of
13 an instrument appointing any such attorney, or (ii) the ownership by any
14 person of the Bonds shall be sufficient for any purpose of the Bond
15 Ordinance (except as otherwise therein expressly provided) if made in the
16 following manner, or in any other manner satisfactory to the Paying Agent,
17 which may nevertheless in its discretion require further or other proof in
18 cases where it deems the same desirable:

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

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

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

36 SECTION 11.2. Moneys Held for Particular Bonds. The amounts held by the
37 Paying Agent for the payment due on any date with respect to particular Bonds shall, on
38 and after such date and pending such payment, be set aside on its books and held in trust
39 by it, without liability for interest, for the Owners of the Bonds entitled thereto.

4 SECTION 11.3. Parties Interested Herein. Nothing herein expressed or implied is
5 intended or shall be construed to confer upon, or to give to, any person or corporation,
6 other than the Issuer, the Paying Agent and the Owners of the Bonds any right, remedy or
7 claim under or by reason of this Bond Ordinance or any covenants, condition or stipulation
8 thereof, and all the covenants, stipulations, promises and agreements in this Bond
9 Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive
benefit of the Issuer, the Paying Agent and the 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
Bonds.

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

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 27**

4 No court shall have authority to inquire into any of these matters after the said thirty (30)
5 days.

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

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

16 SECTION 11.10. Effective Date. This Bond Ordinance shall become effective
17 immediately upon its adoption.

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

31 The Bonds are hereby designated as "qualified tax-exempt obligations" pursuant to
32 Section 265(b)(3) of the Code. In making this designation, the Issuer finds and determines
33 that: (i) the Bonds are not private activity bonds within the meaning of the Code; and (ii)
34 the reasonably anticipated amount of qualified tax-exempt obligation which will be
35 attributable to the Issuer in the calendar year 2012 will not exceed \$10,000,000.

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

4 SECTION 11.12. Employment of Bond Counsel. The Governing Authority hereby
5 finds and determines that a real necessity exists for the employment of special counsel in
6 the issuance of the Bonds, and accordingly, the law firm of Butler, Snow, O'Mara, Stevens
7 & Cannada, PLLC, Bond Counsel, is hereby employed as Bond Counsel to handle all
8 matters of a legal nature in connection with the negotiation, sale, issuance and delivery of
9 the Bonds. The fee of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, in connection
10 with said program of finance shall be and the same is hereby established and fixed at a
11 sum not to exceed the maximum fee for revenue bonds as provided by the Attorney
12 General's fee schedule based on the amount of the Bonds actually issued, sold, delivered
13 and paid for, plus "out-of-pocket" expenses, provided, however, that said fee shall be
14 contingent on and payable solely from the proceeds of the sale of the Bonds. It is
15 recognized that such counsel has prepared an Official Statement in connection with the
16 issuance of the Bonds and said counsel shall be reimbursed its costs in connection with
17 the preparation of such Official Statement from the proceeds of the Bonds as a cost of
18 issuance.

17 **ARTICLE XII**
18 **SALE OF BONDS**

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

29 SECTION 12.2. Official Statement. The Issuer hereby ratifies and approves the
30 form and content of a Preliminary Official Statement in the form approved by Bond
31 Counsel, pertaining to the Bonds, as submitted to the Issuer, and hereby ratifies its prior
32 use in connection with the sale of the Bonds. The Issuer further approves the form and
33 content of the final Official Statement and hereby authorizes and directs the execution by
34 the Mayor of the Issuer and an Executive Officer and delivery of such final Official
35 Statement to the Underwriter for use in connection with the public offering of the Bonds.
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4 **ARTICLE XIII**
5 **PROVISIONS RELATED TO CONTINUING DISCLOSURE CERTIFICATE**

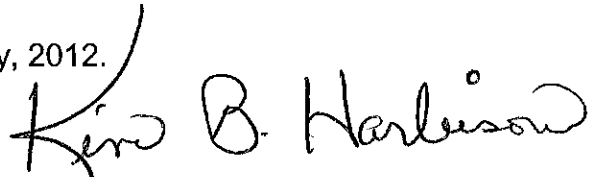
6 SECTION 13.1. Redemption of Refunded Bonds. The Executive Officers are
7 hereby authorized and directed to execute all documents and take all actions to affect the
8 redemption of the Refunded Bonds, including the mailing of notices of redemption, in the
9 form approved by Bond Counsel.

10
11 **ARTICLE XIV**
12 **PROVISIONS RELATED TO CONTINUING DISCLOSURE CERTIFICATE**

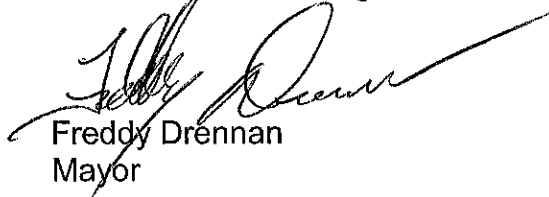
13 SECTION 14.1. Continuing Disclosure. The Issuer will execute a Continuing
14 Disclosure Certificate in which it will agree to provide certain financial information and
15 operating data relating to the Issuer and to provide notice of the occurrence of certain
16 events.

17 The Executive Officers are hereby empowered, authorized and directed to take any
18 and all action and to execute and deliver any instrument, document or certificate
19 necessary to effectuate the purposes of this Section, including, without limitation, the
20 Continuing Disclosure Certificate in substantially the form set forth in the Official
21 Statement.

22 **ADOPTED** this 22nd day of May, 2012.

23
24 

25 Kim Harbison
26 President of the Council
27 Councilwoman-at-Large

28
29 
30 Freddy Drennan
31 Mayor

32
33 

34 Thomas P. Reeves
35 Council Administrator

DELIVERED	3:00 p.m.
5/24/12	to the Mayor
RECEIVED	2:00 p.m.
5/24/12	from the Mayor

4 **CERTIFICATE OF THE COUNCIL**

5
6 The undersigned Council Administrator of the Council of the City of Slidell,
7 State of Louisiana (the "City") does hereby certify that the foregoing constitutes a true and
8 correct copy of an Ordinance adopted by the City on May 22, 2012, providing for the
9 issuance and sale of not to exceed Four Million Two Hundred Fifty Thousand Dollars
10 (\$4,250,000) of Utilities Revenue Refunding Bonds, Series 2012 (the "Bonds"), of the City
11 of Slidell, State of Louisiana (the "Issuer"); prescribing the form, fixing the details and
12 providing for the payment of principal of and interest on said Bonds and for the rights of the
13 owners thereof; providing for the use of the proceeds of the Bonds to refund the Issuer's
14 outstanding (i) Utilities Revenue Bonds, Series 1996A and (ii) Utilities Revenue Notes,
15 Series 2004; approving the Preliminary Official Statement and Official Statement prepared
16 in connection with the issuance of the Bonds; authorizing a Notice of Redemption;
17 providing for the employment of Bond Counsel and Underwriter; and providing for other
18 matters in connection therewith.
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27 IN WITNESS WHEREOF, I have subscribed my official signature as
28 Administrator of the Council of the City on this, the 22nd day of May, 2012.
29
30
31

32 

33 _____
34 Thomas P. Reeves
35 Council Administrator
36
37
38
39

4 **EXHIBIT A**
5 **FORM OF BOND**
6

7 Unless this Bond is presented by an authorized representative of The Depository
8 Trust Company, a New York corporation ("DTC") to the Issuer or its agent for registration
9 of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede
10 & Co. or in such other name as is requested by an authorized representative of DTC (and
11 any payment is made to Cede & Co. or to such other entity as is requested by an
12 authorized representative of DTC), any transfer, pledge, or other use hereof for value or
13 otherwise by or to any person is wrongful inasmuch as the registered owner hereof, Cede
& Co., has an interest herein.

14 As provided in the Bond Ordinance referred to herein, until the termination of the
15 system of book entry only transfers through The Depository Trust Company, New York,
16 New York (together with any successor security depository appointed pursuant to the Bond
17 Ordinance), and notwithstanding any other provision of the Bond Ordinance to the
18 contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC,
19 or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to
20 any successor securities depository or any nominee thereof.

21 No. R-1 Principal Amount: \$_____

22 **UNITED STATES OF AMERICA**
23 **STATE OF LOUISIANA**
24 **PARISH OF ST. TAMMANY**

25 **UTILITIES REVENUE REFUNDING BONDS, SERIES 2012**
26 **CITY OF SLIDELL, STATE OF LOUISIANA**

27

28 <u>Bond</u>	29 <u>Maturity</u>	30 <u>Interest</u>	31 <u>CUSIP</u>
32 <u>Date</u>	33 <u>Date</u>	34 <u>Rate</u>	35 <u>Number</u>
36 _____, 2012	37 _____ 1, _____	38 _____%	39 _____

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

36 **CEDE & CO. (Tax ID #13-2555119)**
37
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39

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 32**

4 or registered assigns, on the Maturity Date set forth above, but solely from Net Utilities
5 Revenues (as hereinafter defined), the Principal Amount set forth above, together with
6 interest thereon from the Bond Date set forth above or from the most recent interest
7 payment date to which interest has been paid or duly provided for, payable on April 1 and
8 October 1 of each year (each an "Interest Payment Date"), commencing October 1, 2012,
9 at the Interest Rate per annum set forth above (using a year of 360 days comprised of
10 twelve (12) 30-day months) until said Principal Amount is paid, unless this Bond shall have
11 been previously called for redemption and payment shall have been duly made or provided
12 for. The principal and premium, if any, of this Bond, upon maturity or redemption, are
13 payable in such coin or currency of the United States of America as at the time of payment
14 is legal tender for payment of public and private debts at the corporate trust office of
15 Regions Bank, in the City of Baton Rouge, Louisiana, or any successor thereto (the
16 "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable
17 by check mailed on or before the Interest Payment Date by the Paying Agent to the
18 registered owner at the address as shown on the registration books of the Paying Agent
19 maintained for such purpose. The interest so payable on any Interest Payment Date will
20 be paid to the person in whose name this Bond (or one or more predecessor Bonds) is
21 registered at the close of business on the Record Date (which is the 15th day of the
22 calendar month next preceding an Interest Payment Date). Any interest not punctually
23 paid or duly provided for shall be payable as provided in the Bond Ordinance (hereinafter
24 defined).

1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 33**

4 This Bond shall not be valid or become obligatory for any purpose or be entitled to
5 any security or benefit under the Bond Ordinance until the certificate of registration hereon
6 shall have been signed by the Paying Agent. It is certified that this Bond is authorized by
7 and is issued in conformity with the requirements of the Constitution and statutes of the
8 State of Louisiana. It is further certified, recited and declared that all acts, conditions and
9 things required to exist, to happen and to be performed precedent to and in the issuance of
10 this Bond and the issue of which it forms a part to constitute the same legal, binding and
11 valid obligations of the Issuer have existed, have happened and have been performed in
12 due time, form and manner as required by law.
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18 This Bond is one of an authorized issue aggregating in principal the sum of
19 _____ Dollars (\$_____) (the "Bonds"), all of like tenor and effect except as to
20 interest rate, number, denomination and maturity, said Bonds having been issued by the
21 Issuer pursuant to an ordinance adopted by the governing authority of the Issuer on _____,
22 2012 (the "Bond Ordinance"). The Bonds have been issued by the Issuer under the
23 authority of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as
24 amended (the "Act"), and other constitutional and statutory authority, for the purpose of
25 currently refunding the Refunded Bonds, funding a debt service reserve for the Bonds and
26 paying the costs of issuance.
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33 This Bond and the issue of which it forms a part are payable as to both principal and
34 interest solely from the income and revenues to be derived from the operation of the
35 Utilities System, after provision has been made for payment therefrom of the reasonable
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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 34**

4 and necessary expenses of administration, operation and maintenance of the Utilities
5 System (the "Net Utilities Revenues"), and this Bond does not constitute an indebtedness
6 or pledge of the general credit of the Issuer, within the meaning of any constitutional or
7 statutory limitation of indebtedness. The Bonds are being issued on a parity with the Parity
8 Bonds. The governing authority of the Issuer has covenanted and agreed and does hereby
9 covenant and agree to fix, establish and maintain such rates and collect such fees, rents or
10 other charges for the services and facilities furnished by the Utilities System, as shall be
11 sufficient to provide for the payment of all reasonable and necessary expenses of
12 administration, operation and maintenance of the Utilities System, to provide for the
13 payment of interest on and principal of all Bonds, the Parity Bonds and any Additional
14 Parity Obligations as and when the same shall become due and payable, for the creation
15 of a reserve therefor, and for the provision of a reserve to care for extensions, additions,
16 improvements, renewals and replacements necessary to properly operate the Utilities
17 System. For a more complete statement of the revenues from which and conditions under
18 which this Bond is payable, and the general covenants and provisions pursuant to which
19 this Bond is issued and provisions permitting the issuance of pari passu additional bonds
20 under certain circumstances, reference is hereby made to the Bond Ordinance.
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32 The Bonds are issuable only as fully registered bonds in the denomination of \$5,000
33 principal amount or any integral multiple thereof within a single maturity exchangeable for
34 an equal aggregate principal amount of Bonds of the same maturity of any other
35 authorized denomination.
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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 35**

4 The Bonds maturing on or after _____ are callable for redemption, at the option
5 of the Issuer on or after _____ at _____ plus accrued interest to the date of
6 redemption.
7

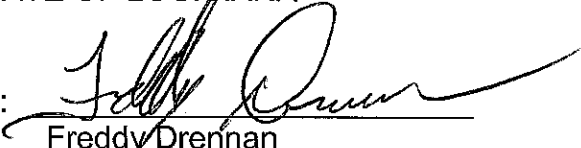
8
9 Subject to the limitations of and upon payment of the charges provided in the Bond
10 Ordinance, the transfer of this Bond may be registered on the registration books of the
11 Paying Agent upon surrender of this Bond at the principal corporate trust office of the
12 Paying Agent as registrar, accompanied by a written instrument or instruments of transfer
13 in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by
14 the registered owner or his attorney duly authorized in writing, and thereupon a new bond
15 or bonds of the same maturity and of authorized denomination or denominations, for the
16 same aggregate principal amount, will be issued to the transferee. Prior to due
17 presentment for registration of transfer of this Bond, the Issuer and the Paying Agent may
18 deem and treat the person in whose name this Bond is registered as the absolute owner
19 hereof for all purposes, whether or not this Bond shall be overdue and neither the Issuer
20 nor the Paying Agent shall be bound by any notice to the contrary. Upon any such
21 registration of transfer or exchange, the Paying Agent may require payment of an amount
22 sufficient to cover any tax or other governmental charge that may be imposed in relation
23 thereto and any other expenses (including the fees and expenses of the Paying Agent)
24 connected therewith. The Paying Agent shall not be required (a) to issue, register the
25 transfer of or exchange any Bond during a period beginning at the close of business on the
26 15th day of the calendar month next preceding an Interest Payment Date or any date of
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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 36**

4 selection of Bonds to be redeemed and ending at the close of business on the Interest
5
6 Payment Date or day on which the applicable notice of redemption is given or (b) to
7 register the transfer of or exchange any bonds so selected for redemption in whole or in
8
9 part.

10
11 IN WITNESS WHEREOF, the Slidell City Council, the governing authority of the
12 Issuer, has caused this Bond to be executed in the name of the Issuer by the facsimile
13 signatures of the Mayor of the Issuer and Council Administrator of the Slidell City Council
14 and a facsimile of its corporate seal to be imprinted hereon.
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22 _____
23 Thomas P. Reeves
24 Council Administrator

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CITY OF SLIDELL,
STATE OF LOUISIANA
By: 

Freddy Drennan
Mayor

(FORM OF PAYING AGENT'S CERTIFICATE OF REGISTRATION)

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

REGIONS BANK,
Baton Rouge, Louisiana
as Paying Agent

Date of Registration: _____

By: _____
Authorized Officer

4 (FORM OF ASSIGNMENT)

5
6 ASSIGNMENT

7
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
13 the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

14 _____ attorney or agent to transfer the within Bond on

15
16 the books kept for registration thereof, with full power of substitution in the premises.
17

18 _____
19 Dated:

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

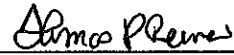
25 (FORM OF LEGAL OPINION CERTIFICATE)

26 LEGAL OPINION CERTIFICATE

27
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 Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, the
31 original of which was manually executed, dated and issued as of the date of payment for
32 and delivery of the original bonds of the issue described therein and was delivered to the
33 Underwriter thereof.
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1 **ORDINANCE NO. 3656**
2 **ITEM NO. 12-04-2949**
3 **PAGE 38**

4 I further certify that an executed copy of the above legal opinion is on file in my
5 office, and that an executed copy thereof has been furnished to the Paying Agent for this
6 Bond.
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11 _____
12 Thomas P. Reeves
13 Council Administrator
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