

OFFICIAL PROCEEDINGS  
CITY OF MORGAN CITY  
APRIL 23, 2013

The Mayor and City Council of Morgan City, Louisiana, met at 6:00 pm (local time) in regular session, this date, in the City Court Building, Highway 182 East, Morgan City, Louisiana.

There were present: Honorable Frank P. Grizzaffi, III Mayor; and Council Members Ron Bias, Barry Dufrene, James Fontenot and Tim Hymel.

Absent: Louis J. Tamporello, Jr.

Also present were Mr. Marcus Folse, Chief Administrative Officer and Mr. Gregory Aucoin, City Attorney.

The invocation was given by Reverend Gabriel Fernandez, New Life Tabernacle.

Mrs. Donna Meyer and Mr. Don Tellman addressed the Council requesting permission to hold the second annual Bayou BBQ Bash on July 20 from 9:00 AM to 5:00 PM under the bridge. They requested closure of Greenwood Street from Second Street to Arizona Street, Arkansas Street from Greenwood Street to Michigan Street, and Third Street from Greenwood Street to Michigan Street from 9:00 AM to 5:00 PM. Mrs. Meyer advised that the Chamber was requesting permission to sell beer at the event this year. A motion to approve the request was made by Mr. Fontenot, seconded by Reverend Bias, and voted unanimously in favor.

Mr. Steve Morell, Morgan City Main Street manager, addressed the Council requesting permission to hold the Atchafalaya Arts & Food Festival on June 8, 2013 from 4:00 PM to 6:00 PM and a concert in Lawrence Park from 6:00 PM to 8:00 PM. They also requested that alcohol sales and consumption be permitted for the duration of the event. A motion to approve the Main Street requests was made by Mr. Dufrene, seconded by Mr. Hymel, and voted unanimously in favor.

Mr. Lucien Cutrera gave an update on the FEMA DFIRM appeal. He advised that the Drainage District received a letter stating that Morgan City would be allowed to use the FEMA DFIRM work that it had evaluated. He said in essence FEMA was saying that our work had paid off. He advised that the Corps of Engineers stated that at the request of the City they would leave Morgan City levees out of their LSER report because they were not considered Federal levees.

He stated that he had previously worked on the Atchafalaya Gateway plan with the Image Commission and would like to resurrect some of the projects that may be beneficial to the City.

Mr. Pat Cloutier addressed the Council and stated that recently online he saw that the Golden Gate Bridge had an LED light display. He wondered if the Main Street Committee or the Wharf Committee might think it would be a good idea for Morgan City.

The minutes of the March 26, 2013 meeting were submitted. There being no corrections, additions, or deletions, a motion to approve the minutes was made by Reverend Bias, seconded by Mr. Hymel, and voted unanimously in favor.

In the absence of Mrs. Deborah Garber, Finance Director, Councilman Barry Dufrene submitted the following financial statement for the period ending March 31, 2013.

---

---

**MONTHLY FINANCIAL STATEMENTS**

---

---

**DATE:** April 23, 2013  
**TO:** Mayor and Council  
**FROM:** Deborah Garber  
**RE:** Comments related to summary of revenues and expenses compared to budget for the period ended March 31, 2013.

---

---

Attached is a summary that compares our actual revenues and expenses to our operational budget for our major funds subject to budgetary control for the period ending March 31, 2013. The following comments are related thereto:

**General and Ancillary Funds:** Actual total revenues are below budget by \$800. The sales taxes in the General Fund are \$41,200 under budget. Operating expenses are below budget by \$215,800. The net income, after transfers, of \$410,700 creates a favorable variance of \$214,900.

**Utility Fund:** Actual revenues are under budget by \$267,700, with operational expenses also under budget by \$244,600. The net loss, after transfers, of \$105,700 creates an unfavorable variance of \$22,800.

**Sanitation and Sewer Fund:** The operating revenues are \$6,100 under budget, with total operating expenses under budget by \$55,000. The net loss, after transfers, of \$246,200 leaves a favorable variance of \$49,000.

Respectfully submitted,  
/s/ Deborah Garber  
 Deborah Garber  
 Finance Director

CONSOLIDATED STATEMENT  
 Actual Revenues and Expenses Compared to Budget  
 Period Ended March 31, 2013

	March 2013	March 2013	
<b>GENERAL AND ANCILLARY FUNDS</b>	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>
<b>REVENUES</b>			
General Fund	1,708,209	1,749,108	(40,899)
Recreation Fund	41,968	38,017	3,951
Library Fund	3,811	3,800	11
Auditorium Fund	45,034	28,175	16,859
Lake End Park Fund	116,163	96,913	19,250
Total Revenues	1,915,185	1,916,013	(828)
<b>EXPENSES- OPERATIONAL</b>			
General Fund	2,255,116	2,384,407	(129,291)
Recreation Fund	127,708	156,581	(28,873)
Library Fund	25,511	31,459	(5,948)
Auditorium Fund	89,153	114,680	(25,527)
Lake End Park Fund	162,528	188,705	(26,177)
Total Expenses	2,660,016	2,875,831	(215,815)
<b>TRANSFERS</b>			
Transfers from Funds	1,050,744	1,050,744	0
Transfers to Funds	104,853	104,853	0
Net Transfers	1,155,597	1,155,597	0
EXCESS NET OF TRANSFERS	410,766	195,779	214,987
<b>UTILITY FUND</b>			
Total Revenues	4,483,575	4,751,271	(267,696)
Total Expenditures	3,752,631	3,997,271	(244,640)
Net Excess	730,944	754,001	(23,057)
Net Transfers and non-oper.	(836,694)	(836,875)	181
Excess net of transfers	(105,750)	(82,875)	(22,876)
<b>SANITATION AND SEWER FUND</b>			
Total Revenues	538,427	544,527	(6,100)
Total Expenses	696,537	751,636	(55,099)
Net Excess	(158,110)	(207,109)	48,999

Net Transfers/non-operating expenses	(88,156)	(88,250)	94
Excess net of transfers and non-operating	(246,266)	(295,359)	49,093

A motion to accept the financial statement was made by Mr. Hymel, seconded by Reverend Bias, and voted unanimously in favor.

The next matter on the agenda was the finance committee recommendations, whereupon,

Mr. Hymel offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 13-32

BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the following Finance Committee recommendations be and the same are hereby approved:

1. Allocate \$9,150.00 from General Fund fund balance to Police Department to purchase new air conditioner.
2. Allocate \$25,000 from General Fund fund balance to Public Works to hire new employee for cement crew.

Mr. Fontenot seconded the motion.

The vote thereon was as follows:

AYES: Hymel, Fontenot, Bias, Dufrene  
 NAYS: None  
 ABSENT: Tamporello

The resolution was therefore declared approved and adopted this 23<sup>rd</sup> day of

April, 2013.

/s/ Frank P. Grizzaffi, III  
 Frank P. Grizzaffi, III  
 Mayor

ATTEST:

/s/ Debbie Harrington  
 Debbie Harrington  
 Clerk

In the matter of the Planning & Zoning Committee recommendations, Mayor Grizzaffi stated that the H&B Young Foundation was in the process of purchasing a house on Second Street to be used as their office. He advised the zoning needed to be changed to include professional offices. He stated that the ordinance would be introduced later in the meeting. A motion to approve the Planning & Zoning recommendation was made by Mr. Dufrene, seconded by Mr. Hymel and voted unanimously in favor.

Mayor Grizzaffi stated that they were working to try and resolve the sanitation problems. He stated they were down to two options, one was to buy some new trucks and continue what we had been doing, and the other was to privatize and go with a company like Progressive Waste Solutions. He advised Mr. Roddie Matherne with Progressive Waste was here to give a presentation to the Council and answer any questions. Mr. Matherne stated that he had been in the garbage industry for over thirty years and could give the City a great price on the garbage collection. He stated that once the City privatized the garbage collection, he would have to make sure that he had the trucks available to pick up the route on the day it was supposed to be picked up. He said they planned on relocating his yard to Morgan City and any fuel, supplies and parts would be purchased in Morgan City. He stated his company would have an almost two million dollar investment in the City of Morgan City. Mayor Grizzaffi said some preliminary rates had been discussed, but they were looking at locking in some long term rates. He stated that one proposal was that the City would handle the maintenance of the cans to give the lowest cost to the customer. He said that right now a lot of subsidizing is done from the sewer and sanitation fund. Mr. Hymel stated that they had extra trucks and if one was down, they could

get another one on site quickly. Mr. Matherne stated that his company would take the workers compensation and accident risks from the City. He stated they are the largest company in Louisiana and the third largest waste company in the Country. Mr. Dufrene asked who they were currently providing sanitation services to. Mr. Matherne stated that Berwick, Patterson, St. Mary, Iberia, Terrebonne, Jefferson, St. Charles, St. John and Point Coupee Parishes, and the City of Thibodaux were some of the places they currently serviced. Mayor Grizzaffi stated they would get the final numbers and then the Council would make a decision. Mr. Fontenot stated that as of right now he was not in favor of privatization. He stated he would like the public input on the matter.

The next matter on the agenda was the Substantial Completion for Roadway Repairs & Improvements Phase VI, whereupon,

Mr. Hymel offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 13-33

WHEREAS, the firm of Huey Stockstill, Inc. has substantially completed the work done under contract No. R:12-50, for the Roadway Repairs & Improvements, Phase VI project, dated October 2, 2012, and recorded in the mortgage records of the Parish of St. Mary, Book 1339, Entry 314874, Page 559, and

WHEREAS, the contractor has requested that this work be put in the lien period, and

WHEREAS, Michael Loupe, Public Works Director for the City has recommended acceptance of said project as substantially complete, to begin the forty-five (45) day lien period with no items remaining to be done, and

WHEREAS, before final payment is made, Michael Loupe, will so certify to the City that the project is fully complete and approve the payment of the retainage,

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, Louisiana that the Mayor be and he is hereby authorized, empowered, and directed to execute the "Certificate of Substantial Completion" and that a copy of this resolution, along with said "Certificate" be filed with the Clerk of Courts of the Parish of St. Mary to initiate the forty-five (45) day lien period for the work done under the above mentioned contract.

Mr. Fontenot seconded the motion.

The vote thereon was as follows:

AYES: Hymel, Fontenot, Bias, Dufrene  
NAYS: None  
ABSENT: Tamporello

The resolution was therefore declared approved and adopted this 23<sup>rd</sup> day of

April, 2013.

/s/ Frank P. Grizzaffi, III  
Frank P. Grizzaffi, III  
Mayor

ATTEST:

/s/ Debbie Harrington  
Debbie Harrington  
Clerk

In the matter of Fair Housing Month, Mayor Grizzaffi stated that this year was the 45<sup>th</sup> anniversary of the National Fair Housing Law, whereupon,

Reverend Bias offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 13-34

WHEREAS, the strength of our nation flows from the promise of individual equality and freedom of choice; and

WHEREAS, the forty fifth Anniversary of the National Fair Housing Law, Title VIII of the Civil Rights Act of 1968, during the month April, is an occasion of all Americans – individually and collectively – to rededicate themselves to the principle of freedom from housing discrimination, whenever it exists. This law guarantees for each citizen that critical, personal element of freedom of choice-selection of the home; and

WHEREAS, a fair housing law has been passed by the State of Louisiana; and implementation of that law requires the positive commitment, involvement and support of all our citizens; and

WHEREAS, the department and agencies of the State of Louisiana are to provide leadership in the effort to make fair housing not just an idea, but an ideal for all our citizens; and

WHEREAS, barriers that diminish the rights and limit the options of any citizen will ultimately diminish the rights and limit the options of all.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the month of April, 2013 be proclaimed as

**FAIR HOUSING MONTH**

In Morgan City, Louisiana and do hereby encourage all citizens to abide by the letter and spirit of the Fair Housing Law, and ask the citizens of Morgan City to join in reaffirming the obligation and commitment to fair housing opportunities for all.

Mr. Dufrene seconded the motion.

The vote thereon was as follows:

AYES: Bias, Dufrene, Fontenot, Hymel  
NAYS: None  
ABSENT: Tamporello

The resolution was therefore declared approved and adopted this 23<sup>rd</sup> day of April, 2013.

/s/ Frank P. Grizzaffi, III  
Frank P. Grizzaffi, III  
Mayor

ATTEST:

/s/ Debbie Harrington  
Debbie Harrington  
Clerk

Mayor Grizzaffi stated that the Cooperative Endeavor Agreement Amendment Number Three for the Lake End Cabins was a time extension of one year, whereupon,

Mr. Fontenot offered the following Resolution, who moved for its adoption.

RESOLUTION NO. R: 13-35

WHEREAS, the City of Morgan City and the State of Louisiana Department of Natural Resources have signed a Cooperative Endeavor Agreement for the Lake End Cabins, and

WHEREAS, the parties have agreed to extend the term for fulfillment of services to be performed under the contract until June 30, 2014.

NOW THEREFORE BE IT RESOLVED, by the City Council, the governing authority of the City of Morgan City, that the Mayor is hereby authorized, empowered and directed to enter into an Amendment to the Cooperative Endeavor Agreement between the City of Morgan City and the State of Louisiana, Department of Natural Resources.

Mr. Hymel seconded the motion.

The vote thereon was as follows:

AYES: Fontenot, Hymel, Bias, Dufrene

NAYS: None

ABSENT: Tamporello

The resolution was therefore declared approved and adopted this 23<sup>rd</sup> day of April, 2013.

/s/ Frank P. Grizzaffi, III  
Frank P. Grizzaffi, III  
Mayor

ATTEST:

/s/ Debbie Harrington  
Debbie Harrington  
Clerk

The Millage Ordinance for tax year 2013 was introduced. This was a first reading and no definitive action was necessary.

Mayor Grizzaffi stated that the agenda needed to be expanded to introduce an ordinance to include professional businesses in the BP-2 zone to allow the H & B Young Foundation to have an office on Second Street. A motion to expand the agenda was made by Revered Bias, seconded by Mr. Hymel and voted unanimously in favor.

The Zoning Ordinance was introduced. This was a first reading and no definitive action was necessary.

The public hearing was opened on the Power Sales Ordinance. Mr. Tim Matte addressed the Council declaring his support of the Ordinance, whereupon,

The following ordinance was offered by Mr. Dufrene and seconded by Mr. Hymel:  
ORDINANCE 13-01

An ordinance declaring the results of a public hearing held on April 23, 2013 by the governing authority of the City of Morgan City, State of Louisiana (the "City"),

pursuant to a Notice of Intention adopted by said governing authority on March 12, 2013; certifying that no petitions or objections were presented objecting to the City entering into a Power Sales Contract by and between the City and Louisiana Energy and Power Authority ("LEPA") relative to a source of electric energy and power for the City's electric system; formally approving and authorizing the execution and delivery of said Power Sales Contract; determining the amount of power and energy to be obtained by the City pursuant to said Power Sales Contract; approving the Bond Resolution relating to the LEPA Power Project Revenue Bonds (LEPA Unit No. 1) Resolution of LEPA; and taking other matters relating thereto.

WHEREAS, on March 12, 2013, the City Council of the City of Morgan City, State of Louisiana (the "Governing Authority"), acting as the governing authority of the City of Morgan City, State of Louisiana (the "City"), adopted a resolution (the "Intent Resolution") declaring its intention to enter into a Power Sales Contract by and between the City and the Louisiana Energy and Power Authority (the "Power Sales Contract"), relative to a source of electric energy and power for the City's electric system; and

WHEREAS, the Notice of Intention set forth in said resolution provided that this Governing Authority would meet in open and public session on April 23, 2013, at 6 (six) o' clock p.m. at their regular meeting place, 7261 Highway 182 East, Morgan City, LA, to hold a public hearing and to receive any petitions and hear any objections to the proposed Power Sales Contract, and, in the event no such petition was filed, to proceed to formally approve and authorize the execution and delivery of the Power Sales Contract substantially in the form attached to said resolution and to determine the amount (not exceeding ten [10] megawatts) of power and energy to be obtained pursuant to said Power Sales Contract; and

WHEREAS, in accordance with law, said resolution and said Power Sales Contract were published in The Daily Review, Morgan City, Louisiana, on March 19, 2013; and

WHEREAS, in accordance with the law, the Notice of Intention was published in The Daily Review on March 21, March 28, April 4 and April 11, 2013; and

WHEREAS, this Governing Authority has reviewed all pertinent information as to the present and future power and energy requirements of the City and the potential sources of such power and energy requirements; and

WHEREAS, this Governing Authority has reviewed the said Power Sales Contract in the form attached as Exhibit A to the Intent Resolution and have found the terms and provisions thereof to be in the best interest of the residents of the City; and

WHEREAS, this City Council convened in open and public session at the hour, on the date and at the location set forth in said Notice of Intention and called for petitions and objections to the Power Sales Contract, all as provided in said Notice of Intention; and

WHEREAS, at said public hearing, this Governing Authority received comments and questions concerning the proposed program from the audience; and

WHEREAS, no petitions or objections were presented at the public hearing; and

WHEREAS, this Governing Authority now desires to declare and certify the results of the public hearing held on this date, formally approve and authorize the execution and delivery of the Power Sales Contract, determine the amount of power and energy to be obtained pursuant to said Power Sales Contract, and approve the terms and provisions of the Bond resolution relating to LEPA's Power Project Revenue Bonds (LEPA Unit No. 1);

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan City, State of Louisiana, acting as the governing authority of the City, that:

SECTION 1. The foregoing "Whereas" clauses are hereby approved and adopted. This Governing Authority does hereby find, declare and certify that at the hereinbefore described public hearing held in open and public session at 6:00 p.m. on April 23, 2013, at their regular meeting place, 7261 Highway 182 East, no petitions or objections were presented or filed objecting to the City approving and authorizing the execution of a Power Sales Contract by and between the City and LEPA relative to a source of electric energy and power for the City's electric system, and the City is hereby authorized to execute and deliver the Power Sales Contract.

SECTION 2. Terms and provisions of the said Power Sales Contract are hereby approved, and the Mayor of the City is hereby authorized and directed to execute and deliver the Power Sales Contract for and on behalf of the City, said Power Sales Contract to be substantially in the form set forth in Exhibit A to the Intent Resolution.

SECTION 3. The City shall obtain up to 16.4% of the output of the Project (as defined in the Power Sales Contract) as set out in the Schedule of Participants attached to the Power Sales Contract; provided, however, pursuant to Section 29 of the Power Sales Contract said amount may be increased upon the occurrence of certain events as set forth therein. The (Mayor) of the City is further authorized to determine the final percentage of output of the Project (as defined in the Power Sales Contract), provided that such amount shall not exceed the maximum set forth herein.

SECTION 4. The terms and provisions of the Bond Resolution to be adopted by the Board of Directors of LEPA related to the Power Project Revenue Bond (LEPA Unit No. 1), in substantially the form presented at the meeting of the Governing Authority held this date.

Specifically, the covenants of LEPA set forth in article VII of said Resolution pertaining to the rates, fees and charges to be fixed, maintained, charged and collected by LEPA for the sale of the output, capacity or service of the Project, as defined therein, are hereby approved.

SECTION 5. The Mayor and Clerk of the City are hereby further authorized and directed for, on behalf of, and in the name of the City to execute and deliver such of the foregoing documents as require their signatures, or any of them, and any and all additional instruments, documents and certificates in addition to the documents set forth above which may be required by or provided for, or as may otherwise be required for or necessary, convenient or appropriate to the transactions described in this ordinance. Said officers are hereby further authorized and directed to approve for and on behalf of and in the name of the City any changes, additions or deletions in any of the documents, instruments or certificates referred to in this ordinance, provided that all such changes, additions or deletions, if any, shall be consistent with and within the authority provided by this ordinance. The signatures of the said officers upon such documents set forth above, or as may be otherwise required for or necessary, convenient or appropriate to the financing described in this ordinance, are deemed to be conclusive evidence of their due exercise of the authority vested in them hereunder.

SECTION 6. This Governing Authority finds and determines that a real necessity exists for the employment of special counsel in connection with the issuance of the Bonds, and accordingly, Foley & Judell, L.L.P., of New Orleans, Louisiana, as Bond Counsel, is hereby employed to do and perform work of a traditional legal nature as bond counsel with respect to the financing of the City's interest in the Project through the issuance and sale of Revenue Bonds. Said Bond Counsel shall prepare and submit to this Governing Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of such Revenue Bonds, shall counsel and advise this Governing Authority as to the issuance and sale thereof and shall furnish its opinions covering the legality of the issuance of the Revenue Bonds. The fee of Bond Counsel for each series of bonds shall be fixed at a sum not exceeding the fee allowed by the Attorney General's fee guidelines for such bond counsel work in connection with the issuance of such series of revenue bonds and based on the amount of said Revenue Bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses, said fees to be contingent upon the issuance, sale and delivery of said bonds. If required by and pursuant to instructions from the Mayor, said Bond Counsel shall cause to be prepared an official statement containing detailed and comprehensive financial and statistical data with respect to the sale of the Bonds, and the costs of the preparation and printing of said official statement shall be paid from the proceeds of the issue for which it has been prepared. Said official statement may be submitted to one or more of the nationally recognized bond rating service or services, together with a request that an appropriate rating be assigned. Payment for all ratings shall be made by the Mayor upon presentation of appropriate statements from the particular rating service furnishing the ratings. A certified copy of this resolution shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fees herein designated, and the Clerk is hereby empowered and directed to provide for payment of the work herein specified upon completion thereof and under the conditions herein enumerated.

SECTION 6. Gregory P. Aucoin, attorney at law of Morgan City, Louisiana, be and he is hereby employed and directed as special local counsel of said Governing Authority, to perform all legal services as local associate counsel in connection with the proposed program, including, but not limited, to the review of legal documents and the furnishing of an appropriate opinion or opinions relative thereto. The fee for such services shall be computed at an hourly rate not exceeding the amount provided by the aforesaid Guidelines of the Attorney General of the State of Louisiana, plus out-of-pocket expenses.

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

YEAS: Dufrene, Hymel, Bias, Fontenot

NAYS: None

ABSENT: Tamporello

And the ordinance was declared adopted on this, the 23<sup>rd</sup> day of April, 2013.

/s/ Debbie Harrington  
Debbie Harrington, Clerk

/s/ Frank P. Grizzaffi, III  
Frank P. Grizzaffi, III, Mayor

STATE OF LOUISIANA  
PARISH OF ST. MARY

I, the undersigned Clerk of the City of Morgan City, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of the proceedings taken by the City Council of the City of Morgan City, State of Louisiana, on April 23, 2013, declaring the results of a public hearing held on April 23, 2013 by the governing authority of the City of Morgan City, State of Louisiana (the "City"), pursuant to a Notice of Intention adopted by said governing authority on April 23, 2013; certifying that no petitions or objections were presented objecting to the City entering into a Power Sales Contract by and between the City and Louisiana Energy

and Power Authority ("LEPA") relative to a source of electric energy and power for the City's electric system; formally approving and authorizing the execution and delivery of said Power Sales Contract; determining the amount of power and energy to be obtained by the City pursuant to said Power Sales Contract; approving the Bond Resolution relating to the LEPA Power Project Revenue Bonds (LEPA Unit No. 1) Resolution of LEPA; and taking other matters relating thereto.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said City at Morgan City, Louisiana, on this, the 23<sup>rd</sup> day of April, 2013.

/s/ Debbie Harrington  
Clerk

The public hearing on Separate Reserve Fund Account Ordinance was opened. No one appeared for or against said ordinance, whereupon,

The following ordinance having been introduced at a duly convened meeting on March 26, 2013, and notice of its introduction having been published in the official journal, was offered for final adoption by Fontenot and seconded by Bias:

#### ORDINANCE 13-02

An ordinance amending Ordinance No. 09-6 adopted on June 23, 2009, as amended by Ordinance No. 09-19 adopted on October 13, 2009, so as to provide for separate reserve fund accounts and reserve fund requirements for separate issues of Parity Debt.

WHEREAS, the City of Morgan City, State of Louisiana (the "Issuer") has adopted Ordinance No. 09-6 on June 23, 2009 (the "09-6 Ordinance"), authorizing the issuance of \$2,000,000 of Utilities Revenue Bonds, Series 2009, and Ordinance No. 09-19 on October 13, 2009 (the "09-19 Ordinance") (collectively, the "Prior Ordinance") to increase the authorization of the Utilities Revenue Bonds, Series 2009 to \$2,750,000; and the Issuer has issued and has sold and delivered to the Louisiana Department of Health & Hospitals (the "DHH") \$2,750,000 of Utilities Revenue Bonds, Series 2009 (the "2009 Bonds") pursuant to the Prior Ordinance and the Loan and Pledge Agreement dated as of December 1, 2009, executed by and between the Issuer and DHH (the "Loan Agreement"); and

WHEREAS, this Governing Authority wishes to amend the Prior Ordinance so as to provide for the creation of Reserve Fund Accounts within the 2002 Utilities Revenue Bonds Reserve Fund (the "Reserve Fund"), each with its own Reserve Fund Account Requirement; and

WHEREAS, DHH is the sole Owner of the 2009 Bonds and has consented to the adoption of this amendatory ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Morgan City Council (the <sup>A</sup>Governing Authority<sup>@</sup>), acting as the governing authority of the Issuer, that:

SECTION 1. Section 1 of the Prior Ordinance is hereby amended through the following additions of definitions and changes to the definitions to certain defined terms as set out below:

**"Bond Service Requirement"** means for any particular issue of Parity Debt for a given Bond Year, the remainder after subtracting any accrued interest paid by the purchasers of such issue of Parity Debt and capitalized interest for that year that has been deposited into the Revenue and Operating Fund for that purpose from the sum of the principal of and interest and premium, if any, and other payments coming due in such Bond Year on such Parity Debt.

**"Parity Debt"** means any Parity Bond, Parity Contract Obligation, Parity Reimbursement Obligation, Parity Swap Obligation or Guaranteed Debt; provided, however, that for purposes of the definition of the term "Bond Service Requirement," Parity Debt shall with respect to Guaranteed Debt include only Exposure on Guaranteed Debt.

**"Reserve Fund Account"** shall mean an account within the Reserve Fund as described in Section 17.

**"Reserve Fund Account Requirement"** means the amount required to be maintained in the Series 2009 Reserve Fund Account pursuant to Section 17(d), hereof, which amount shall equal one-half of the highest Bond Service Requirement (including Administrative

Fee) in any future Bond Year for the Initial Bonds and shall mean, with respect to any other Reserve Fund Account, such sums as may be required to be on deposit in such account from time to time, all of which as may be established by later ordinance.

SECTION 2. Section 1 of the Prior Ordinance is hereby amended by the deletion of the following terms and their definitions:

- (a) **Reserve Fund Requirement**
- (b) **Reserve Product**
- (c) **Reserve Product Provider**

SECTION 3. Sections 17(c) and 17(d) of the Prior Ordinance are hereby amended to read as follows:

(c) The maintenance of the 2002 Utilities Revenue Bonds Reserve Fund (the "Reserve Fund") in the manner provided for in the ordinance authorizing the Series 2002 Bonds except as provided for herein. The Issuer shall establish and maintain a "Series 2009 Reserve Fund Account" within the Reserve Fund and shall retain therein the Reserve Fund Account Requirement for the Series 2009 Bonds. The Series 2009 Reserve Fund Account shall be maintained solely for the purpose of paying the principal of, interest and Administrative Fee on the Series 2009 Bonds.

Other Reserve Fund Accounts may be created in connection with the issuance of Additional Parity Debt. Each account shall be used for the purpose of paying the principal of and interest on the Parity Debt utilizing such account as to which there would otherwise be default. Each Reserve Fund Account Requirement for each such account shall be established by the ordinance or ordinances providing for the issuance of the Additional Parity Debt utilizing such account.

If at any time it shall be necessary to use moneys in the Series 2009 Reserve Fund Account as above established for the purpose of paying principal or interest on the Series 2009 Bonds as to which there would otherwise be default, then the moneys so used shall be replaced from the income and revenues of the System first thereafter received, not hereinabove required to be used for the purposes set forth above, it being the intention hereof that there shall be as nearly as possible at all times in the Series 2009 Reserve Fund Account the amounts herein specified. In the event Parity Debt is issued and other Reserve Fund Accounts are established and withdrawals made therefor, then reimbursement for withdrawals shall be made in the same manner and subject to the same provisions as provided above for the Series 2009 Reserve Fund Account. In the event of withdrawals from more than one Reserve Fund Account, reimbursement shall be made pro rata.

(d) The Series 2009 Reserve Fund Account Requirement may be funded with cash or Investment Obligations or a combination thereof.

SECTION 4. Except as amended or supplemented herein, the Prior Ordinance remains in full force and effect.

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

YEAS: Fontenot, Bias, Dufrene and Hymel  
NAYS: None  
ABSENT: Tamporello

And the ordinance was declared adopted on this, the 23<sup>rd</sup> day of April, 2013,

\_\_\_\_\_  
/s/ Debbie Harrington  
Clerk

\_\_\_\_\_  
/s/ Frank Grizzaffi  
Mayor

STATE OF LOUISIANA  
PARISH OF ST. MARY

I, the undersigned Clerk of the City of Morgan City, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of an ordinance adopted by the Morgan City Council on April 23, 2013, supplementing and amending Ordinance No. 09-6 adopted on June 23, 2009, and Ordinance No. 09-19 adopted on October 13, 2009, to amend the Reserve Fund and the Reserve Fund Requirement.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said City at Morgan City, Louisiana, on this, the 23<sup>rd</sup> day of April, 2013.

/s/ Debbie Harrington  
Clerk of the Council

(SEAL)

The public hearing opened for the Issuance and Sale of Utilities Revenue Refunding Bonds. No one appeared for or against said ordinance, whereupon,

The following ordinance, having been introduced at a duly convened meeting on March 26, 2013, and notice of its introduction having been published in the official journal on April 4, 2013, was offered for final adoption by Mr. Fontenot and seconded by Reverend Bias:

**ORDINANCE 13-03**

An ordinance providing for the issuance and sale of Utilities Revenue Refunding Bonds, Series 2013, of the City of Morgan City, State of Louisiana; prescribing the form, fixing the details and providing for the rights of the owners thereof; providing for the payment of said bonds and the application of the proceeds thereof to the refunding of certain bonds of said District; and providing for other matters in connection therewith.

WHEREAS, the City of Morgan City, State of Louisiana (the "Issuer") now owns and operates a single revenue producing utility comprised of the combined electric light and power plants and systems, the waterworks plants and systems and the natural gas transmission and distribution plants and systems (collectively, the "System"); and

WHEREAS, the Issuer has heretofore issued \$10,000,000 aggregate principal amount of Utilities Revenue Bonds, Series 2002 (the "Series 2002 Bonds"), of which \$5,865,000 is currently outstanding; and

WHEREAS, the Series 2002 Bonds are payable solely from the revenues of the System, after provisions have been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the System (the "Net Revenues"), pursuant to the provisions of the constitution and statutes of the State of Louisiana; and

WHEREAS, the Issuer has found and determined that refunding of all of the outstanding Series 2002 Bonds, consisting of those Series 2002 Bonds maturing on December 1, 2013 to December 1, 2022, inclusive (the "Refunded Bonds"), would be financially advantageous to the Issuer; and

WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this Morgan City Council to adopt this ordinance in order to provide for the issuance of not exceeding \$4,980,000 principal amount of its Utilities Revenue Refunding Bonds, Series 2013 (the "Bonds"), for the purpose of refunding the Refunded Bonds, and paying the costs of issuance therefor, and further to fix the details of the Bonds and to sell the Bonds to the purchaser thereof; and

WHEREAS, the Issuer also has outstanding \$1,625,000 of Utilities Revenue Bonds, Series 2009B, maturing December 1, 2013 to December 1, 2030, inclusive, bearing interest at the rate of 2.95% per annum, and being the outstanding bonds of an issue of \$1,750,000, issued pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950 by virtue of ordinances adopted by this Morgan City Council on June 23, 2009 and October 13, 2009; and

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

WHEREAS, the Issuer desires to sell the Bonds to the purchaser thereof and to fix the details of the Bonds and the terms of the sale of the Bonds;

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

**ARTICLE I**

## DEFINITIONS AND INTERPRETATION

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

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

**"Additional Parity Bonds"** shall mean any additional pari passu bonds which may hereafter be issued pursuant to Section 7.1 hereof on a parity with the Bonds and the Outstanding Parity Bonds.

**"Bond" or "Bonds"** shall mean any or all of the Issuer's Utilities Revenue Refunding Bonds, Series 2013, issued pursuant to this Bond Ordinance as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

**"Bond Counsel"** shall mean an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

**"Bond Obligation"** shall mean, as of the date of computation, the principal amount of the Bonds then Outstanding.

**"Bond Ordinance"** shall mean this Ordinance, as the same may be amended and supplemented as herein provided.

**"Bond Service Requirement"** means for any particular issue of Parity Debt for a given Bond Year, the remainder after subtracting any accrued interest paid by the purchasers of such issue of Parity Debt and capitalized interest for that year that has been deposited into the Revenue and Operating Fund for that purpose from the sum of the principal of and interest and premium, if any, and other payments coming due in such Bond Year on such Parity Debt.

**"Bond Year"** shall mean the one-year period ending on the principal payment date of the Bonds (December 1) of each year.

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

**"Code"** shall mean the Internal Revenue Code of 1986, as amended.

**"Consulting Engineer"** shall mean a regionally known consulting utility engineer or firm of consulting utility engineers with skill and experience in the construction and operation of publicly owned utilities properties.

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

**"Defeasance Obligations"** shall mean (a) cash, or (b) non-callable Government Securities.

**"Executive Officers"** shall mean, collectively, the Mayor and Clerk of the Council of the Issuer.

**"Fiscal Year"** shall mean the one-year period commencing on January 1 of each year, or such other one-year period as may be designated by the Governing Authority as the fiscal year of the Issuer.

**"Governing Authority"** shall mean the Morgan City Council, or its successor in function.

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

**"Interest Payment Date"** shall mean June 1 and December 1 of each year, commencing December 1, 2013.

**"Issuer"** shall mean the City of Morgan City, State of Louisiana.

**"Net Revenues"** shall mean the gross revenues of the System, after there have been deducted therefrom the reasonable and necessary expenses of operating and maintaining the System.

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

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

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

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

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

**"Outstanding Parity Bonds"** shall mean \$1,625,000 of Utilities Revenue Bonds, Series 2009B, maturing December 1, 2013 to December 1, 2030, inclusive.

**"Owner"** shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent.

**"Parity Debt"** means any Outstanding Parity Bonds, Parity Contract Obligation, Parity Reimbursement Obligation, Parity Swap Obligation or Guaranteed Debt; provided, however, that for purposes of the definition of the term "Bond Service Requirement," Parity Debt shall with respect to Guaranteed Debt include only Exposure on Guaranteed Debt.

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

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

**"Purchaser"** shall mean Whitney Bank, in the City of New Orleans, Louisiana.

**"Rating Agency"** means each nationally recognized securities rating agency then maintaining a rating on the Bonds, the Outstanding Parity Bonds or any future parity bonds at the request of the Issuer.

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

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

**"Refunded Bonds"** shall mean \$5,865,000 of the Issuer's outstanding Utilities Revenue Bonds, Series 2002, maturing December 1, 2013 to December 1, 2022, inclusive, which are being refunded by the Bonds, as more fully described in **Exhibit A** hereto.

**"Reserve Fund Account"** shall mean an account within the Reserve Fund as described in Section 5.3 hereof.

**"Reserve Fund Account Requirement"** means the amount required to be maintained in the Series 2009 Reserve Fund Account pursuant to Section 17(d) of the ordinance authorizing the issuance of the Outstanding Parity Bonds, which amount shall equal one-half of the highest Bond Service Requirement in any future Bond Year for the Outstanding Parity Bonds and shall mean, with respect to any other Reserve Fund Account, such sums as may be required to be on deposit in such account from time to time, all of which as may be established by later ordinance. There shall be no Reserve Fund Account established for the Bonds.

**"State"** shall mean the State of Louisiana.

**"System"** means the single revenue producing utility comprised of the combined electric light and power plants and systems, the waterworks plants and systems and the natural gas transmission and distribution plants and system.

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

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.1. Authorization of Bonds. (a) This Bond Ordinance creates a series of Bonds of the Issuer to be designated "Utilities Revenue Refunding Bonds, Series 2013, of the City of Morgan City, State of Louisiana" and provides for the full and final payment of the principal or redemption price of and interest on all of the Bonds.

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

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

SECTION 2.3. Obligation of Bonds. The Bonds, equally with the Outstanding Parity Bonds, shall be payable as to both principal and interest solely from the income and revenues to be derived from the operation of the System, after provision has been made for payment therefrom of the reasonable and necessary expenses of administration, operation and maintenance of the System, pursuant to the Constitution and laws of the State of Louisiana. The Net Revenues are hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. All of the Net Revenues shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds, in principal, 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.

The Bonds shall be and they are hereby issued on a parity with the Outstanding Parity Bonds and the Bonds shall rank equally with and shall enjoy complete parity of lien with the Outstanding Parity Bonds on all of the revenues of the System or other funds established and maintained by the ordinance authorizing the issuance of the Outstanding Parity Bonds in connection with the security and payment of the Outstanding Parity Bonds.

SECTION 2.4. Authorization and Designation. Pursuant to the provisions of the Act, and other constitutional and statutory authority, there is hereby authorized the issuance of not exceeding \$4,980,000 principal amount of Bonds of the Issuer to be designated "Utilities Revenue Refunding Bonds, Series 2013, of the City of Morgan City, State of Louisiana", for the purpose of refunding the Refunded Bonds and paying the Costs of Issuance. The Bonds shall be in substantially the form set forth in **Exhibit B** hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

SECTION 2.5. Denominations, Dates, Maturities and Interest. The Bonds are issuable as fully registered bonds without coupons in the denominations of \$5,000 principal amount or any integral multiple thereof within a single maturity, and shall be numbered R-1 upwards.

The Bonds shall be dated the date of their delivery (not later than August 1, 2013), shall mature on December 1 in the years and in the principal amounts and shall bear interest, payable on the Interest Payment Dates, at the rate per annum, as follows:

<u>Date</u> <u>(Dec 1)</u>	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>Rate</u>
2013	\$ 305,000	1.81%
2014	475,000	1.81%
2015	485,000	1.81%
2016	495,000	1.81%
2017	505,000	1.81%
2018	510,000	1.81%
2019	530,000	1.81%
2020	545,000	1.81%
2021	560,000	1.81%
2022	570,000	1.81%

SECTION 2.6. Payment of Principal and Interest. The principal and premium, if any, of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to each Owner (determined as of the close of business on the applicable Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose.

Except as otherwise provided in this Section, Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.

The Person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

### ARTICLE III

#### GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 3.1. Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the outstanding principal amount of the Bonds. Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denomination of the same maturity and like aggregate principal amount. At the option of the Owner, Bonds may be exchanged for other Bonds of authorized denominations of the same maturity and like

aggregate principal amount, upon surrender of the Bonds to be exchanged at the principal corporate trust office of the Paying Agent. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor the Bond or Bonds which the Owner making the exchange shall be entitled to receive. All Bonds presented for registration of transfer or exchange shall be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in writing.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Bond Ordinance as the Bonds surrendered. Prior to due presentment for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent of the Issuer or the Paying Agent may deem and treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

No service charge to the Owners shall be made by the Paying Agent for any exchange or registration of transfer of Bonds. The Paying Agent may require payment by the Person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Issuer and the Paying Agent shall not be required (a) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business on the 15th calendar day of the month next preceding an Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) to register the transfer of or exchange any Bond so selected for redemption in whole or in part.

SECTION 3.2. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt a resolution and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) complying with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 3.4 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section shall constitute an original, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects identical with that replaced except that it shall bear on its face the following additional clause:

"This bond is issued to replace a lost, cancelled or destroyed bond under the authority of R.S. 39:971 through 39:974."

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

SECTION 3.3. Preparation of Definitive Bonds; Temporary Bonds. Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 3.5, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations, one or more temporary typewritten Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds.

SECTION 3.4. Cancellation of Bonds. All Bonds paid or redeemed either at or before maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Secretary of the Council an appropriate certificate of cancellation.

SECTION 3.5. Execution. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signatures of the Executive Officers of the Issuer, and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

SECTION 3.6. Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth in Exhibit B hereto shall have been duly manually executed on behalf of the Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Bond Ordinance.

SECTION 3.7. Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to-wit:

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

#### **ARTICLE IV**

##### **REDEMPTION OF BONDS**

SECTION 4.1. Redemption of Bonds. The Bonds are callable for redemption at the option of the Issuer in full at any time on or after June 1, 2018, and in part on any principal payment date after June 1, 2018, at par plus accrued interest to the date of redemption. Official notice of such call of any of the Bonds for redemption shall be given by means of first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the Owner of the Bond to be redeemed at his address as shown on the Bond Register.

#### **ARTICLE V**

##### **PAYMENT OF BONDS; FLOW OF FUNDS**

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

SECTION 5.2. Security for Bond Funds. All of the income and revenues to be earned from the operation of the System shall be deposited daily as provided in Section 5.3 hereof in the Revenue Fund, which fund shall be maintained separate and apart from all other funds of the Issuer. The Sinking Fund and the Reserve Fund (both as hereinafter defined) shall be held by the depository bank as special trust funds for the purposes provided in this Bond Ordinance, and all other funds shall be held by the depository bank as special deposits for the purposes set forth in the ordinance authorizing the Outstanding Parity Bonds and this Bond Ordinance, and subject to such reasonable instructions as the Issuer may give in writing to the depository bank. The Owners are hereby granted a lien on all funds established pursuant to the requirements of this Bond Ordinance until applied in the manner herein provided.

SECTION 5.3. Funds and Accounts. In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes

hereinafter provided, the Issuer further covenants that all income and revenues of every nature derived from the operation of the System shall be deposited daily as the same may be collected in a separate and special bank account established and maintained with the bank or banks that from time to time are the regularly designated fiscal agent bank or banks of the Issuer (the "Fiscal Agent Bank") and known and designated as the "Revenue Fund," and said Revenue Fund shall be maintained and administered in the following order of priority and for the following express purposes:

(a) The payment of all reasonable and necessary expenses of operating and maintaining the System.

(b) The maintenance of a separately identifiable fund or account designated as the "2002 Utilities Revenue Bond Sinking Fund" (the "Sinking Fund"), to be held by the regularly designated fiscal agent of the Issuer, sufficient in amount to pay promptly and fully the principal of and the interest on the Outstanding Parity Bonds, Bonds and any Additional Parity Obligations issued hereafter in the manner provided by this Ordinance, as they severally become due and payable, by transferring from the Revenue Fund to the Sinking Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 1/6th of the interest falling due on the next Interest Payment Date and 1/12th of the principal falling due on the next principal payment date, together with such additional proportionate sum as may be required to pay said principal and interest as the same become due. If Additional Parity Bonds are hereafter issued by the Issuer in the manner provided by this Ordinance, monthly payments into the Sinking Fund for the Additional Parity Bonds shall be in accordance with the provisions of the ordinances authorizing the issuance of such Additional Parity Bonds and moneys in the Sinking Fund shall be equally available to pay principal and interest on the Bonds and such Additional Parity Bonds. The Issuer shall transfer from said Sinking Fund to the paying agent bank or banks, and set aside for Bonds for which no paying agent has been designated, for all Bonds payable from the Sinking Fund at least three (3) days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

(c) The maintenance of the 2002 Utilities Revenue Bonds Reserve Fund (the "Reserve Fund") in the manner provided for in the ordinance authorizing the Series 2002 Bonds except as provided for herein. There shall **not** be a reserve account for the Bonds.

Other Reserve Fund Accounts may be created in connection with the issuance of Additional Parity Debt. Each account shall be used for the purpose of paying the principal of and interest on the Parity Debt utilizing such account as to which there would otherwise be default. Each Reserve Fund Account Requirement for each such account shall be established by the ordinance or ordinances providing for the issuance of the Additional Parity Debt utilizing such account.

If at any time it shall be necessary to use moneys in the Series 2009 Reserve Fund Account for the purpose of paying principal or interest on the Outstanding Parity Bonds as to which there would otherwise be default, then the moneys so used shall be replaced from the income and revenues of the System first thereafter received, not hereinabove required to be used for the purposes set forth above. In the event Parity Debt is issued and other Reserve Fund Accounts are established and withdrawals made therefor, then reimbursement for withdrawals shall be made in the same manner and subject to the same provisions as provided above for the Series 2009 Reserve Fund Account. In the event of withdrawals from more than one Reserve Fund Account, reimbursement shall be made pro rata.

(d) The maintenance of the "2002 Utilities Revenue Bonds Depreciation and Contingencies Fund" (the "Contingencies Fund") held with the Fiscal Agent Bank to care for depreciation, extensions, additions, improvements and replacements necessary to operate properly the System, by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the Issuer, monthly in advance on or before the 20th day of each month of each year, a sum at least equal to five percent (5%) of the gross revenues of the System collected in cash during the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b), and (c) above. The payments in the Contingencies Fund shall continue as long as any of the Outstanding Parity Bonds, the Bonds or any Additional Parity Bonds are outstanding. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingencies Fund may also be used to pay the principal of and the interest on the Outstanding Parity Bonds, the Bonds and any additional pari passu bonds issued hereafter in the manner provided by this Ordinance, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund described in paragraphs (b) and (c) above, but the money in said Contingencies Fund shall never be used for the making of extensions and additions to the System or for the payment of principal or interest on bonds if such use of said money will

leave in said Contingencies Fund for the making of emergency repairs, renewals and replacements less than the sum of Two Hundred Fifty Thousand Dollars (\$250,000).

Notwithstanding the above provisions of this Subsection 8.1(d), in the event the Issuer maintains a pass through fuel cost or fuel adjustment clause for customer billing, the Issuer in making its calculation of gross revenues for the 5% transfer discussed above, need not include any increase in revenues determined by the Director of Finance to have been occasioned by increased fuel cost or fuel adjustment billing, provided the monthly transfer for such month is not less than 1/12 of the previous year=s transfers to such fund and not less than 1/12 of the budgeted System depreciation for such year.

Any money remaining in the Revenue Fund after making the above required payments may be used by the Issuer for the purpose of calling and/or purchasing and paying any bonds payable from the Revenues, or for such other lawful corporate purposes as the Governing Authority may determine, whether or not such purposes relate to the System.

If at any time it shall be necessary to use moneys in the Reserve Fund or the Contingencies Fund above provided for the purpose of paying principal of or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received, not hereinabove required to be used for operation and maintenance of the System or for current principal, interest and reserve requirements. If at any time there are sufficient moneys on deposit in said Reserve Fund and Contingencies Fund to retire all outstanding bonds payable from the Sinking Fund by defeasance, by exercising the redemption option provided by such Bonds or by purchase on the open market, the Issuer may utilize such funds for such purpose.

All or any part of the moneys in the foregoing funds and accounts shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, except that moneys in the Reserve Fund must be invested in Government Securities maturing in five (5) years or less from the date of investment. All income derived from such investments shall be added to the money in said respective funds or to the Revenue Fund, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are herein created.

## **ARTICLE VI**

### **BOND-RELATED COVENANTS**

SECTION 6.1. Obligation of the Issuer in Connection with the Issuance of the Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to deposit in the Sinking Fund any accrued interest on the Bonds received upon the delivery of the Bonds.

SECTION 6.2. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal or redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

SECTION 6.3. Tax Covenants. (a) To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from "gross income" of interest on the bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or would result in the inclusion of the interest on any Bond in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of the proceeds of the Bonds, (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" under the Code.

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

## **ARTICLE VII**

### **ADDITIONAL PARITY BONDS**

SECTION 7.1. Issuance of Additional Parity Bonds. The Bonds shall enjoy complete parity of lien on the Net Revenues despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds or that the purchase price of the Bonds is paid in installments. The Issuer hereby covenants that it shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the revenues of the System having priority over or parity with the Outstanding Parity Bonds and the Bonds, except that Additional Parity Bonds may be issued hereafter under the following circumstances or if the following conditions are met:

1. The Bonds or any part thereof may be refunded with the consent of the Owners thereof (except that as to Bonds which are then subject to redemption and have been properly called for redemption, such consent shall not be necessary) and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues as may have been enjoyed by the Bonds refunded, provided, however, that if only a portion of the Bonds outstanding is so refunded and if the refunding bonds require total principal and interest payments during any Bond Year in excess of the principal and interest which would have been required in such Bond Year to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds issued hereunder (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause 2 of this Section 7.1); or

2. Additional Parity Bonds may also be issued on a parity with the Bonds if all of the following conditions are met:

(a) The Net Revenues in the last completed Fiscal Year immediately preceding the issuance of the additional bonds adjusted to reflect any increase in rates which has been adopted and which will take effect prior to the delivery of such proposed bonds, must have been not less than one and twenty-five hundredths (1.25) times the highest combined principal and interest requirements for any succeeding Fiscal Year period on all bonds then outstanding, including any pari passu additional bonds theretofore issued and then outstanding which are payable from the revenues of the System (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the bonds so proposed to be issued. For the purpose of this calculation, principal maturities shall include mandatory redemption of term bonds and there shall be subtracted from term bond maturities the amount of such mandatory redemption so that the calculation shall be made assuming retirement of the term bonds according to the schedule of mandatory redemption. In the event variable rate bonds are issued, it shall be assumed for the purpose of this calculation that the additional bonds shall bear interest at the maximum or ceiling rate that such additional bonds may bear unless the Insurer of the Outstanding Parity Bonds shall waive such provision. In any event, the calculation shall always assume an interest rate of at least one-half (1/2) of the maximum or ceiling rate.

(b) There must be no delinquencies in payments required to be made into the various funds established by the Bond Ordinance.

(c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to by the Legislative Auditor or by an independent firm of certified public accountants as may have been employed for that purpose. In making that determination, there may be a reliance upon the calculation of the adjustment of net utility revenues as a result of increased rates as prepared by a recognized engineer or firm of engineers employed for such purpose.

(d) There is no continuing event of default as described in the Bond Ordinance as certified by the Issuer's Director of Finance.

(e) The additional bonds must be payable as to principal on December 1st of each year in which principal falls due and payable as to interest on June 1st and December 1st of each year.

(f) The Insurer, if any, must be notified of the issuance of such additional bonds or before the delivery date thereof.

(g) The proceeds of the additional bonds must be used solely for the making of additions, improvements, extensions, renewals, replacements or repairs to the System, or to refund bonds issued therefor.

## ARTICLE VIII

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

SECTION 8.1. Obligation to Fix Rates. The Issuer, through its Governing Authority, hereby covenants to fix, establish, maintain and collect such rates, fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year and as will provide Net Revenues at least equal to one hundred twenty percent (120%) of the principal and interest requirements in such year on all bonds or other obligations payable from the revenues of the System and as will provide revenues at least sufficient to pay all reserves or sinking funds or other payments required for such year by this Ordinance and ordinances authorizing the issuance of all other obligations or indebtedness payable out of the Revenues during such year and that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

SECTION 8.2. Schedule of Rates and Charges. Except as provided herein, nothing in this Ordinance or in the Bonds shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary any resolution or ordinance setting and establishing a schedule or schedules of User Fees for the services and facilities to be rendered by the System, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the income and revenues of the System, not alone for the payment of the principal of and interest on the Bonds, but to give assurance and insure that the income and revenues of the System, together with such other lawfully available funds as are used by the Issuer for such purposes, shall be sufficient at all times to meet and fulfill the other provisions stated and specified in Section 5.3 of this Ordinance. It is understood and agreed, however, that the Issuer shall fix and maintain and collect rates and charges for the services and facilities to be rendered by the System, irrespective of the user thereof, that no free service shall be furnished to any Person or even to the Issuer itself, and that all water and gas shall be metered; provided, however, the Issuer shall not be required to meter water used for firefighting purposes and that no discrimination shall be made as to User Fees for the services and facilities of the System as between users of the same type or class.

The Issuer agrees that failure of any individual, partnership or corporation to pay said User Fees within thirty (30) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within thirty (30) days from the date on which it became delinquent, the Issuer will shut off gas and water service to the affected premises, and that the Issuer and this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for such services shall on the date of delinquency have added thereto a penalty of ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at the rate of at least six per centum (6%) per annum. If services shall be discontinued as above provided, the customer shall, in addition to paying the delinquent charges, penalties and interest, if any, pay as a condition precedent to the resumption of service, a reasonable reconnection charge.

SECTION 8.3. Pledge of Revenues. In providing for the issuance of the Bonds, the Issuer does hereby covenant and warrant that it will be lawfully seized and possessed of the System, that it has a legal right to pledge the income and revenues therefrom as herein provided, that the Bonds, together with the Parity Bonds and any pari passu additional bonds hereafter issued as provided in this Bond Ordinance, will have a lien and privilege on said income and revenues subject only to the prior payment of all reasonable and necessary expenses of administering, operating and maintaining the System, and that the Issuer will at all times maintain the System in first class repair and working order and condition.

SECTION 8.4. Insurance. So long as any of the Bonds herein authorized are outstanding and unpaid in principal or interest, the Issuer shall carry full coverage of insurance on the System at all times against those risks and in those amounts normally carried by privately owned public utility companies engaged in the operation of such utilities. The Issuer will also carry adequate public liability insurance. Said policies of insurance shall be issued by a

responsible insurance company or companies duly licensed to do business under the laws of the State. In case of loss, any insurance money received by the Issuer, except on public liability insurance, shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed, or shall be deposited in the Contingencies Fund to supplement any other amounts required to be paid into the Contingencies Fund.

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

SECTION 8.5. Accounting for System Revenues. As long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books and accounts of the System separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the System. Not later than six (6) months after the close of each Fiscal Year, the Issuer shall cause such an audit to be made by a recognized or an independent firm of certified public accountants, showing the receipts of and disbursements made for the account of the System. Such audit shall be available for inspection by the Owners of any of the Bonds, and a copy of such audit shall be furnished to the Purchaser upon request. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

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

All expenses incurred in the making of the audits required by this Section shall be regarded and paid as a maintenance and operating expense. The Issuer further agrees that the Purchaser, the Registrar and any Owner shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as they may reasonably require. The Issuer further agrees to furnish to the initial purchaser of the Bonds, to the Registrar and to any Owner, upon request therefor, a monthly statement itemized to show the income and expenses of the operation of the System and the number of connections for the preceding month. The Issuer further agrees that the Purchaser, the Registrar, and the Owners of any of the Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating thereto.

SECTION 8.6. Rights of Owners. That the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made in the laws of the State, particularly Sub-Part C, Part I, Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950. Any Owners of said Bonds issued under the provisions of this Bond Ordinance, or any trustee acting for such Owners in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State, or granted and contained in this Bond Ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance or by any applicable statutes to be performed by the Issuer or by any agency, board of officer thereof, including the fixing, charging and collection of rentals, fees or other charges for the use of the System, and in general to take any action necessary to most effectively protect the rights of said Owners.

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

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

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

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

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

The Owners of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of Bonds issued under this Bond Ordinance then outstanding may by a duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Bond Ordinance with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners. Such certificate shall be executed by

such Owners, or their duly authorized attorneys or representatives, and shall be filed in the office of the Governing Authority.

SECTION 8.7. Sale or Lease of System. So long as any of the Outstanding Parity Bonds and the Bonds are outstanding and unpaid in principal or interest, the Issuer shall be bound and obligated not to sell, lease, encumber or in any manner dispose of the System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the Issuer of property which in its judgement has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System, when other property of equal value is substituted therefor or the sale price thereof is deposited in the Contingencies Fund. Notwithstanding the foregoing, the City may sell any portion of the System upon receipt of or report of its consulting engineer that such sale would be advantageous to the System and provided the proceeds of the sale, after paying the costs thereof, are applied to the retirement of Parity Debt or capital improvements of the System, and upon the receipt of an opinion of recognized bond counsel that such sale will not affect the taxability of any Additional Parity Obligation.

SECTION 8.8. Priority of Lien. Except as provided in Section 7.1 of this Bond Ordinance, the Issuer hereby covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge whatsoever having priority over or parity with the lien of the Bonds issued pursuant to this Bond Ordinance and the interest thereon upon any of the income and revenues of the System pledged as security therefor in this Bond Ordinance.

SECTION 8.9. Franchise. So long as any of the Bonds herein authorized are outstanding and unpaid in principal or interest, the Issuer obligates itself not to grant a franchise to any competing utility for operation within the boundaries of the Issuer, and also obligates itself to oppose the granting of any such franchise by any other public board 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.

SECTION 8.10. Security of and Covenant to Maintain System Revenues. So long as any of the Bonds herein authorized are outstanding and unpaid, the Issuer in operating the System, shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the operation of the System, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION 8.11. No Free Service. The Issuer hereby expressly agrees and covenants with the Owners of the Bonds herein authorized from time to time that the same will not provide any free water other than as provided in Section 8.2 hereof and that the same will adopt and maintain rules and regulations which will insure that all bills for services will be collected in a prompt and punctual manner in order that all of the funds and payments required under Section 5.3 hereof may be maintained. The Issuer likewise warrants that the same will enforce all applicable laws of the State on the subject of the sale and distribution of water.

Acting in the exercise of its police powers, the Issuer shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land in the Issuer which abuts upon a street or other public way containing a sewer line and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect said buildings with the System and to cease to use any other method for the disposal of sewerage, sewerage waste or other polluting matter. All such 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.

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

SECTION 8.12. Consulting Engineer. The Issuer covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System to make the required monthly payments into the funds established by Section 5.3 hereby, it will retain a Consulting Engineer (the "Engineer") on a continuous basis until all defaults are cured, for the purpose of providing for the Issuer continuous engineering counsel in the operation of its System. Such Engineer shall be selected with special reference to his knowledge and experience in the construction and operation of public utility properties and shall be subject to

approval by the Owners of the Bonds. Such Engineer shall be retained under contract at such reasonable compensation as may be fixed by this Governing Authority, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Engineer appointed under the provisions of this Section may be replaced at any time by another Engineer appointed or retained by the Issuer, with the consent and approval of the Owners of the Bonds.

The Engineer shall prepare within ninety (90) days after the close of each Fiscal Year a comprehensive operating report, which report shall contain therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year prepared by the Issuer's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System, the proper and adequate keeping of books of record and account, the adherence to budget and budgetary control provisions, the adherence to the provisions of this Ordinance and all other things having a bearing upon the efficient and profitable operation of the System, and shall include whatever criticism of any phase of the operation of the System the Engineer may deem proper, and such recommendations as to changes in operations and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Engineer may deem proper. Copies of such report shall be placed on file with the Clerk of the Issuer and sent to the original purchaser of the Bonds, and shall be open to inspection by any Owners of any of the Bonds.

It shall be the duty of the Engineer to pass on the economic soundness or feasibility of any extensions, betterments, improvements, expenditures or purchases of equipment and materials or supplies, which will involve the expenditure of more than One Thousand Dollars (\$1,000.00), whether in one or more than one order, and whether authorized by a budget or not, from funds on deposit in the Contingency Fund, and the Engineer shall devise and prescribe a form or forms wherein shall be set forth his or its approval in certificate form, copies of which shall be filed with the Clerk of the Governing Authority and the depository for the Contingency Fund.

Sixty (60) days before the close of each Fiscal Year, the Engineer shall submit to this Governing Authority a suggested budget for the ensuing year's operation of the System and shall submit recommendations as to the schedule of User Fees for services supplied by the System, taking into account any other lawfully available funds of the Issuer that may be available for such purposes. A copy of said suggested budget and recommendations shall also be furnished by said Engineer directly to the Purchaser. Such recommendations as to User Fees, consistent with the requirements relating thereto contained herein, shall be followed by this Governing Authority insofar as practicable and all other recommendations shall be given careful consideration by this Governing Authority and shall be substantially followed, except for good and reasonable cause. No expenditures for the operation, maintenance and repair of the System in excess of the amounts stated in said budget shall be made in any year, except upon the certificate of the Engineer that such expenditures are necessary and essential to the continued operation of the System.

It shall be the duty of the Engineer to prescribe a system of budgetary control along with forms for exercising of such control which shall be utilized by the manager or superintendent of the System and his staff, and the manager or superintendent shall cause to be prepared monthly reports not later than the twentieth day of each month, for the preceding month's business and operation of the System, which reports shall be submitted to the Engineer, who shall prepare an analysis of each such report, which analysis shall be filed monthly as expeditiously as possible with the chief financial officer of the Issuer.

In the event this Governing Authority shall fail to select and retain a Engineer in accordance with the first paragraph hereof within thirty (30) days after the occurrence of the conditions prescribed thereby, then upon the petition of the Owners of twenty-five percent (25%) of the aggregate principal amount of the Bonds then outstanding, this Governing Authority shall select and retain such Engineer as is named in the petition of said Owners.

The provisions of this Section shall apply only during any period when the Issuer may be in default in making required payments into the funds required by Section 17 of this Ordinance.

## **ARTICLE IX**

### **SUPPLEMENTAL BOND ORDINANCES**

SECTION 9.1. Supplemental Ordinances Effective Without Consent of Owners. For any one or more of the following purposes and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent of a certified

copy thereof, without any consent of Owners, shall be fully effective in accordance with its terms:

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

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

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

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

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

SECTION 9.2. Supplemental Ordinances Effective With Consent of Owners. Except as provided in Section 9.1, any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental ordinance with the written consent of the Owners of a majority of the Bond Obligation at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to impose utility rates and charges for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of the Bond Ordinance if the same adversely affects or diminishes the rights of the Owners of said Bonds.

SECTION 9.3. Additional Requirements for Supplemental Ordinances. Any rating agency rating the Bonds shall receive notice of each amendment to the Bond Ordinance and a copy thereof at least 15 days in advance of its execution or adoption.

## **ARTICLE X**

### **REMEDIES ON DEFAULT**

SECTION 10.1. Events of Default. If one or more of the following events (in this Bond Ordinance called "Events of Default") shall happen, that is to say,

(a) if default shall be made in the due and punctual payment of the principal or redemption prices of any Bond when and as the same shall become due and payable, whether at maturity or otherwise; or

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or

(c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in the Bond Ordinance, any supplemental ordinance or in the Bonds contained and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Owners of not less than 25% of the Bond Obligation (as defined in this Bond Ordinance); provided, however, with regard to the obligation of the Issuer set forth in Section 8.1 of the ordinance authorizing the issuance of the Outstanding Parity Bonds to maintain User Fees as will provide Net Revenues in each year at least equal to 120% of the principal and interest requirements in such year on all bonds or other obligations payable from the revenues of the System, the Issuer shall not be considered to be in default of such

covenant if there is at least Four Hundred Thousand Dollars (\$400,000) in working capital available to the System at end of such year; or

(d) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law;

then, upon the happening and continuance of any Event of Default the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law.

## ARTICLE XI

### CONCERNING FIDUCIARIES

SECTION 11.1. Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Bond Ordinance. The designation of Whitney Bank, in the City of Baton Rouge, Louisiana, as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by the Bond Ordinance by executing and delivering an acceptance of its rights, duties and obligations as Paying Agent set forth herein in form and substance satisfactory to the Issuer.

SECTION 11.2. Successor Paying Agent. Any successor Paying Agent shall be a trust company or bank in good standing, located in or incorporated under the laws of this State, duly authorized to exercise trust powers and subject to examination by federal or state authority, with combined capital surplus and undivided profits of at least \$50,000,000. No resignation or removal of the Paying Agent shall become effective until a successor Paying Agent has been appointed and has accepted its duties.

## ARTICLE XII

### MISCELLANEOUS

SECTION 12.1. Defeasance. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Owners, the principal (and redemption price) of and interest on the Bonds, at the times and in the manner stipulated in this Bond Ordinance, then the pledge of the money, securities, and funds pledged under this Bond Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owners of the Bonds shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Bond Ordinance to the Issuer.

(b) Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased using Defeasance Obligations pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto. In the event of an advance refunding, the Issuer shall cause to be delivered to the Paying Agent a verification report of an independent nationally recognized certified public accountant.

SECTION 12.2. Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

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

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

SECTION 12.3. Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

SECTION 12.4. Parties Interested Herein. Nothing in the Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent and the Owners of the Bonds any right, remedy or claim under or by reason of the Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in the Bond 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.

SECTION 12.5. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION 12.6. Successors and Assigns. Whenever in this Bond Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Bond Ordinance contained by or on behalf of the Issuer shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

SECTION 12.7. Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or Owners thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the Owner or Owners of the Refunded Bonds.

SECTION 12.8. Severability. In case any one or more of the provisions of the Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of the Bond Ordinance or of the Bonds, but the Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of the Bond Ordinance which validates or makes legal any provision of the Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to the Bond Ordinance and to the Bonds.

SECTION 12.9. Publication of Bond Ordinance; Peremption. This Bond Ordinance shall be published one time in the official journal of the Issuer; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication. For thirty (30) days after the date of publication, any person in interest may contest the legality of this Bond Ordinance, any provision of the Bonds, the provisions therein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of the Bond Ordinance, any provisions of the Bonds to be issued pursuant hereto, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

SECTION 12.10. Execution of Documents. In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 12.11. Recordation. A certified copy of this Bond Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of St. Mary, State of Louisiana.

SECTION 12.12. Bonds are "Bank-Qualified". The Bonds are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer finds and determines that:

- (a) the Bonds are not "private activity bonds" within the meaning of the Code; and
- (b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Issuer and all subordinate entities in calendar year 2013 does not exceed \$10,000,000.

SECTION 12.12. Continuing Disclosure. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR ' 240.15c2-12(b)], because:

- (a) the Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and
- (b) the Bonds are being sold to only one financial institution (*i.e.*, no more than thirty-five persons), which (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Bonds and (ii) is not purchasing the Bonds for more than one account or with a view to distributing the Bonds.

SECTION 12.13. Effective Date. This Bond Ordinance shall become effective immediately.

### ARTICLE XIII

#### SALE OF BONDS

SECTION 13.1. Sale of Bonds. The Bond is hereby sold to the Purchaser at the price and under the terms and conditions set forth in the commitment letter attached hereto as **Exhibit C**.

SECTION 13.2. Application of Funds. There is hereby authorized and directed the application of the proceeds from the sale of the Bonds to the costs of issuance thereof and the remainder to the payment of the Refunded Bonds in principal and interest.

### ARTICLE XIV

#### REDEMPTION OF REFUNDED BONDS

SECTION 14.1. Call for Redemption. The Refunded Bonds, as more fully described in Exhibit A hereto, are hereby called for redemption on June 3, 2013, or such other date on which the Bonds may be delivered, at a redemption price of 102% of the principal amount thereof and accrued interest to the redemption date, in compliance with the ordinance authorizing their issuance.

SECTION 14.2. Notice of Redemption. In accordance with the Ordinance authorizing the issuance of the Series 2002 Bonds, a notice of redemption in substantially the form attached hereto as **Exhibit D**, shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owner of each Bond to be redeemed at his address as shown on the registration books of the Paying Agent.

This Ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: Fontenot, Bias, Dufrene, Hymel

NAYS: None

ABSENT: Tamporello

NOT VOTING: None

And the resolution was declared adopted on this, the 23<sup>rd</sup> day of April, 2013.

/s/ Debbie Harrington  
Clerk

/s/ Frank P. Grizzaffi, III  
Mayor

**EXHIBIT A**

**THE REFUNDED BONDS**

Utilities Revenue Bonds, Series 2002, dated December 1, 2002, as follows:

<u>DATE</u> <u>(DEC. 1)</u>	<u>PRINCIPAL</u> <u>PAYMENT</u>	<u>INTEREST</u> <u>RATE</u>
2013	\$ 485,000	3.625%
2014	505,000	3.900
2015	525,000	4.050
2016	545,000	4.150
2017	570,000	4.250
2018	590,000	4.350
2019	620,000	4.450
2020	645,000	4.550
2021	675,000	4.650
2022	705,000	4.700

Those bonds described above will be called for redemption on June 3, 2013, at the principal amount thereof and accrued interest to the date fixed for redemption, plus a premium equal to 2% of the principal amount of the bonds so redeemed.

**EXHIBIT B**

**FORM OF BOND**

No. R- \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF ST. MARY

UTILITIES REVENUE REFUNDING BOND, SERIES 2013  
OF THE CITY OF MORGAN CITY, STATE OF LOUISIANA

<u>Bond</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>
_____, 2013	December 1, ____	_____%

The CITY OF MORGAN CITY, STATE OF LOUISIANA (the "Issuer"), promises to pay, but only from the source and as hereinafter provided, to

WHITNEY BANK

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above, or from the most recent interest payment date to which interest has been paid or duly provided for, payable on June 1 and December 1 of each year, commencing December 1, 2013 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been made or duly provided for. The principal of this Bond, upon maturity or redemption, is payable in such coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts at Whitney Bank, in the City of Baton Rouge, Louisiana, or any successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner hereof. The interest so payable on any Interest Payment Date will, subject to certain exceptions provided in the hereinafter defined Bond Resolution, be paid to the person in

whose name this Bond is registered as of the close of business on the Record Date (which is the 15th calendar day of the month next preceding an Interest Payment Date). Any interest not punctually paid or duly provided for shall be payable as provided in the Bond Resolution.

This Bond is one of an authorized issue of Utilities Revenue Refunding Bonds, Series 2013, aggregating in principal the sum of Four Million Nine Hundred Eighty Thousand Dollars (\$4,980,000) (the "Bonds"), said Bonds having been issued by the Issuer pursuant to an ordinance adopted by its governing authority on April 23, 2013 (the "Bond Ordinance"), for the purpose of refunding the Issuer's Utilities Revenue Bonds, Series 2002, dated December 1, 2002, maturing December 1, 2013 to December 1, 2022, inclusive, inclusive, and paying the costs of issuance, under the authority conferred by Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

The Bonds are callable for redemption at the option of the Issuer in full at any time on or after June 1, 2018, and in part on any principal payment date after June 1, 2018, at par plus accrued interest to the date of redemption. Official notice of such call of any of the Bonds for redemption shall be given by means of first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the Owner of the Bond to be redeemed at his address as shown on the Bond Register.

Subject to the limitations and requirements provided in the Bond Ordinance, the transfer of this Bond shall be registered on the registration books of the Paying Agent upon surrender of this Bond at the principal corporate trust office of the Paying Agent as Bond Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form and a guaranty of signature satisfactory to the Paying Agent, duly executed by the registered owner or his attorney duly authorized in writing, and thereupon a new Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee. Prior to due presentment for transfer of this Bond, the Issuer and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest hereon and for all other purposes, and neither the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are issuable in the denomination of \$5,000, or any integral multiple thereof within a single maturity. As provided in the Bond Ordinance, and subject to certain limitations set forth therein, the Bonds are exchangeable for an equal aggregate principal amount of Bonds of the same maturity of any other authorized denomination.

This Bond and the issue of which it forms a part are issued on a complete parity with the Issuer's outstanding Utilities Revenue Bonds, Series 2009B, maturing on December 1, 2013 to December 1, 2030, inclusive (the "Outstanding Parity Bonds"). It is certified that the Issuer, in issuing this Bond and the issue of which it forms a part, has complied with all the terms and conditions set forth in the Resolution authorizing the issuance of the Outstanding Parity Bonds.

This Bond, equally with the Outstanding Parity Bonds, and the issue of which it forms a part are payable as to both principal and interest solely from the income and revenues to be derived from the operation of the System, after provision has been made for payment therefrom of the reasonable and necessary expenses of administration, operation and maintenance of the System, and this Bond does not constitute an indebtedness or pledge of the general credit of the Issuer, within the meaning of any constitutional or statutory limitation of indebtedness. The governing authority of the Issuer has covenanted and agreed and does hereby covenant and agree to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities furnished by the System, as shall be sufficient to provide for the payment of all reasonable and necessary expenses of administration, operation and maintenance of the System, to provide for the payment of interest on and principal of all bonds or other obligations payable therefrom as and when the same shall become due and payable, and for the provision of a reserve to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. For a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to the Bond Ordinance.

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

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified,

recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

IN WITNESS WHEREOF, the Issuer, acting through its governing authority, the Morgan City Council, has caused this Bond to be executed in its name by the manual or facsimile signatures of the Mayor and the Clerk of the Council, and to be dated the date of delivery hereof, and the Issuer's corporate seal to be impressed or imprinted hereon.

CITY OF MORGAN CITY,  
STATE OF LOUISIANA

/s/ Debbie Harrington  
Clerk of the Council

/s/ Frank P. Grizzaffi, III  
Mayor

(SEAL)

**PAYING AGENT'S CERTIFICATE**

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

WHITNEY BANK,  
as Paying Agent

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

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

**ASSIGNMENT**

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

\_\_\_\_\_

\_\_\_\_\_

Please Insert Social Security  
or other Identifying Number of  
Assignee

--

\_\_\_\_\_

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

\_\_\_\_\_

\_\_\_\_\_ attorney or agent to transfer the  
within Bond on the books kept for registration thereof, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

\_\_\_\_\_

NOTICE: The signature to this assign-  
ment must correspond with the name as it  
appears upon the face of the within Bond  
in every particular, without alteration or  
enlargement or any change whatever.

**LEGAL OPINION CERTIFICATE**

I, the undersigned Clerk of the Council of the City of Morgan City, State of Louisiana, do hereby certify that the following is a true copy of the complete legal opinion of Foley & Judell, L.L.P., the original of which was manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein, and was delivered to the purchaser thereof:

(Insert Legal Opinion)

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

/s/ Debbie Harrington  
Clerk of the Council

**EXHIBIT C**

**COMMITMENT LETTER**

\_\_\_\_\_, 2013

Hon. Morgan City Council  
City of Morgan City, State of Louisiana  
Morgan City, Louisiana

Re: \$\_\_\_\_\_ of Utilities Revenue Refunding  
Bonds, Series 2013, of the City of Morgan  
City, State of Louisiana

Gentlemen:

Please accept this offer to purchase the following refunding bonds upon the terms and conditions outlined below:

1. Issuer and Amount: Not exceeding \$\_\_\_\_\_ aggregate principal amount of Utilities Revenue Refunding Bonds, Series 2013, of the City of Morgan City, State of Louisiana (the "Issuer").
2. Purpose of Issue: To refund all of the Issuer's outstanding Utilities Revenue Bonds, Series 2002 which mature December 1, 2013 to December 1, 2022, inclusive.
3. Authority for Issue: Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.
4. Dated Date of Bonds: Date of delivery.
5. Form of Bonds: The Bonds will be issued in the form of a single typewritten bond for each maturity, in fully registered form.
6. Interest Payments: Semiannually on June 1 and December 1 of each year, commencing December 1, 2013, based on a 30/360 day year.
7. Interest Rate and Principal Payments: The Bonds will bear interest at the interest rates and mature in installments due on December 1 of each year as follows (*principal payments are subject to change to provide approximately level savings*):

<u>DATE</u> <u>(DEC. 1)</u>	<u>PRINCIPAL</u> <u>INSTALLMENT</u>	<u>INTEREST</u> <u>RATE</u>
2013	\$	_____ %
2014		_____ %
2015		_____ %
2016		_____ %
2017		_____ %
2018		_____ %
2019		_____ %

2020 \_\_\_\_\_ %  
2021 \_\_\_\_\_ %  
2022 \_\_\_\_\_ %

(PLEASE NOTE FUNDS WILL BE USED FROM THE EXISTING SINKING FUND AND EXISTING RESERVE FUND. AT THIS TIME IT IS ANTICIPATED THAT \$\_\_\_\_\_ OF BOND PROCEEDS WILL BE NEEDED)

8. Prepayment Provisions: The Bonds will be callable for redemption prior to their stated maturity dates on or after June 1, 2018.
9. Security: The Bonds, equally with the Outstanding Parity Bonds, are payable as to both principal and interest solely from and shall be secured by the income and revenues derived or to be derived from the operation of the Issuer's System, after provision has been made for payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the System.
10. Outstanding Parity Bonds: The Bonds will be issued on a parity with the outstanding Utilities Revenue Bonds, Series 2009B, consisting of \$1,625,000, maturing on December 1, 2013 to December 1, 2030, inclusive.
11. Paying Agent Bank: \_\_\_\_\_, in \_\_\_\_\_, Louisiana. Fees \_\_\_\_\_ will/\_\_\_\_\_ will not be due the Paying Agent for serving in this capacity. (If fees are to be due Paying Agent, schedule of fees is to be attached hereto and form a part of the proposal).
12. Legal Opinion: Legal opinion of Foley & Judell, L.L.P., as to the due authorization, validity and federal tax-exemption of interest on the Bonds will be required.
13. Bank Eligibility: The Bonds will be designated as "qualified tax-exempt obligations" under Section 265(b) of the Internal Revenue Code of 1986, as amended.
14. Investment Letter: The undersigned will sign an investment letter indicating that it has made a full investigation of the security for the issue and has not relied upon or requested that any disclosure document be prepared by or on behalf of the Issuer, and further that it is purchasing the Bonds without any intention to sell any portion thereof to any person other than another financial institution.
15. Continuing Disclosure. It is understood that, with respect to the Bonds, the Issuer will not be required to comply with continuing disclosure requirements of SEC Rule 15c2-12(b).
16. Delivery: On or before June 3, 2013.

Yours very truly,

NAME OF BANK

By:

Title:

\_\_\_\_\_  
\_\_\_\_\_  
ACCEPTED BY THE CITY OF MORGAN CITY,  
STATE OF LOUISIANA, ON \_\_\_\_\_, 2013.

By: \_\_\_\_\_  
Secretary

**EXHIBIT D**

**FORM OF NOTICE OF REDEMPTION**

**NOTICE OF CALL FOR REDEMPTION**

**UTILITIES REVENUE BONDS, SERIES 2002, DATED DECEMBER 1, 2002  
(MATURING DECEMBER 1, 2013 TO DECEMBER 1, 2022, INCLUSIVE,  
OF THE CITY OF MORGAN CITY, STATE OF LOUISIANA**

**NOTICE IS HEREBY GIVEN**, pursuant to authority of the Morgan City Council, acting as the governing authority of the City of Morgan City, State of Louisiana (the "Issuer"), that the Issuer hereby calls for redemption on June 3, 2013 (the "Redemption Date") its outstanding Utilities Revenue Bonds, Series 2002, dated December 1, 2002, consisting of all of the bonds of said issue maturing December 1, 2013 to December 1, 2022, inclusive (the "Refunded Bonds"), at a redemption price equal to 102% of the principal amount thereof, plus accrued interest to the Redemption Date, said Refunded Bonds being more fully described as follows:

<u>MATURITY DATE</u>	<u>AMOUNT REDEEMED</u>	<u>INTEREST RATE</u>	<u>CUSIP NUMBER</u>
December 1, 2013	\$ 485,000	3.625%	617039JN3
December 1, 2014	505,000	3.900%	617039JP8
December 1, 2015	525,000	4.050%	617039JQ6
December 1, 2016	545,000	4.150%	617039JR4
December 1, 2017	570,000	4.250%	617039JS2
December 1, 2018	590,000	4.350%	617039JT0
December 1, 2019	620,000	4.450%	617039JU7
December 1, 2020	645,000	4.550%	617039JV5
December 1, 2021	675,000	4.650%	617039JW3
December 1, 2022	705,000	4.700%	617039JX1

No further interest will accrue and be payable on said bonds from and after the Redemption Date. The Refunded Bonds should not be surrendered for payment until the Redemption Date, and at that time should be surrendered at Whitney Bank, as successor to Hancock Bank of Louisiana, as follows:

<u>By Hand, Express Mail or Courier Service</u>	<u>By Mail</u>
Whitney Bank	Whitney Bank
Corporate Trust Department	Corporate Trust Department
2600 Citiplace Drive, Suite 200	P. O. Box 591
Baton Rouge, LA 70808	Baton Rouge, Louisiana 70821

Bondholders presenting their Bonds for payment must include their taxpayer identification number on IRS Form W-9. Failure to provide a completed Form W-9 will result in a 30% withholding tax pursuant to the Interest and Dividend Tax Compliance Act.

The CUSIP Numbers listed above are provided for convenience of the bondowners. The Issuer does not certify as to their correctness.

CITY OF MORGAN CITY, STATE OF  
LOUISIANA

By: /s/ Debbie Harrington  
Clerk

Date: April 23, 2013

STATE OF LOUISIANA

PARISH OF ST. MARY

I, the undersigned Clerk of the City of Morgan City, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of an ordinance adopted by the Morgan City Council on April 23, 2013 providing for the issuance and sale of Utilities Revenue Refunding Bonds, Series 2013, of the City of Morgan City, State of Louisiana; prescribing the form, fixing the details and providing for the rights of the owners thereof;

providing for the payment of said bonds and the application of the proceeds thereof to the refunding of certain bonds of said District; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the City of Morgan City, State of Louisiana, on this 23<sup>rd</sup> day of April, 2013.

(SEAL)

/s/ Debbie Harrington  
Clerk

The next matter on the agenda was the pre-clearance Mr. Calvin Valentine d/b/a Prime Tyme Sports Bar. Mr. Edward Jones, attorney for Mr. Valentine, stated that all materials were in order to qualify for the pre-clearance. Mr. Hymel questioned why it was in a different name than it was in the previous month. He also asked what kind of an establishment it was going to be. Mr. Jones stated that Mr. Valentine is listed as the sole owner of the establishment on the lease and it would be a typical sports bar. A motion to grant pre-clearance to Mr. Calvin Valentine d/b/a Prime Tyme Sports Bar was made by Reverend Bias, seconded by Mr. Hymel, and voted unanimously in favor.

Mayor Grizzaffi submitted the name of Mr. Neal Mayon for appointment to the Planning & Zoning Board, Mr. Tim Matthews, Sr. For appointment to the Morgan City Harbor & Terminal District, and Mr. R. Scott Melancon for reappointment to the Morgan City Harbor & Terminal District. A motion to concur in the appointments and the reappointment was made by Mr. Hymel, seconded by Reverend Bias, and voted unanimously in favor.

There being no further business, a motion to adjourn was made by Reverend Bias, seconded by Mr. Hymel, and voted unanimously in favor.

/s/ Debbie Harrington  
Debbie Harrington  
Clerk

/s/ Frank P. Grizzaffi, III  
Frank P. Grizzaffi, III  
Mayor