

OFFICIAL PROCEEDINGS  
CITY OF MORGAN CITY  
SPECIAL MEETING  
SEPTEMBER 18, 2013

The Mayor and City Council of Morgan City, Louisiana, met at 6:00pm in special 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, Tim Hymel, and Louis J. Tamporello, Jr.

Absent: None

Also present was Mr. Gregory Aucoin, City Attorney.

Mayor Grizzaffi stated that the purpose of the meeting was to approve the final form of the Power Project Revenue Bond and Resolution Ordinance.

Mr. Pat Cloutier stated that there should have been more public discussion and he was disappointed that there was not more public participation. After comments from the council, Mr. Cloutier expressed his appreciation for their discussion, whereupon,

The following ordinance was offered by Mr. Fontenot and seconded by Reverend Bias:

ORDINANCE NO. 13-07

An ordinance of the City of Morgan City, State of Louisiana (the "City"), ratifying the final form of the Power Sales Contract by and between the City and the Louisiana Energy and Power Authority ("LEPA"); approving the final form of the Power Project Revenue Bond (LEPA Unit No. 1) Bond Resolution and First Supplemental Bond Resolution adopted by LEPA; and providing for other matters relating thereto.

WHEREAS, on April 23, 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 an ordinance (the "Public Hearing Ordinance") declaring the results of a public hearing held on April 23, 2013 by the governing authority of the City, pursuant to a Notice of Intention adopted by said governing authority on March 12, 2013 and certifying that no petitions or objections were presented objecting to the City entering into a Power Sales Contract (the "Power Sales Contract") by and between the City and the Louisiana Energy and Power Authority ("LEPA") relative to a source of electric energy and power for the City's electric system; and

WHEREAS, on May 31, 2013, the Board of Directors of LEPA adopted the Power Project Revenue Bond (LEPA Unit No. 1) Bond Resolution (the "Bond Resolution"), authorizing the incurring of debt and issuance from time to time of Power Project Revenue Bonds (LEPA Unit No.1), which was supplemented by a resolution on September 4, 2013 (the "Supplemental Resolution," and collectively the "LEPA Resolution").

WHEREAS, this Governing Authority certified in the Public Hearing Ordinance that no petitions or objections were presented objecting to the Power Sales Contract; 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 final forms of the Power Sales Contract, Bond Resolution and Supplemental Resolution and finds the terms and provisions thereof to be in the best interest of the residents of the City; and

WHEREAS, this Governing Authority now desires to ratify and accept the final form of the Power Sales Contract and the LEPA Resolution, and authorize the execution of all necessary documents in connection therewith;

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 Power Sales Contract is hereby accepted in its final form as set forth in Exhibit A hereto, which final form is determined to be in accordance with prior actions and authorization of this governing authority. The execution of the Power Sales Contract by the Mayor and Clerk is hereby ratified. Capitalized terms used but not otherwise defined herein shall have the meaning given such terms in the Power Sales Contract.

SECTION 2. The LEPA Resolution is hereby approved in the final form as set forth in Exhibit B hereto.

SECTION 3. The City covenants that its obligations with respect to the receipt of power from the Project shall commence upon the first to occur of (i) the date to which all interest is capitalized with respect to the initial series of Bonds, (ii) the date which is twelve months prior to the date on which the first principal installment of any of the Bonds is due, or (iii) the Date of Commercial Operation of the Project.

SECTION 4. 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.

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

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

And the ordinance was declared adopted on this, the 18<sup>th</sup> day of September, 2013.

/s/ Debbie Harrington  
Clerk

/s/ Frank P. Grizzaffi, III  
Mayor

**POWER SALES CONTRACT**

**BETWEEN**

**LOUISIANA ENERGY AND POWER AUTHORITY**

**AND**

**CITY OF MORGAN CITY, STATE OF LOUISIANA,  
AS PARTICIPANT**

**DATED AS OF JUNE 1, 2013**

**(LEPA UNIT No. 1)**

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## POWER SALES CONTRACT

This **POWER SALES CONTRACT** made and entered into as of the 1st day of June, 2013 (but actually executed on \_\_\_\_\_, 2013) is by and between **LOUISIANA ENERGY AND POWER AUTHORITY** ("LEPA"), a political subdivision and body politic and corporate of the State of Louisiana, created pursuant to Chapter 10-A of Title 33 of the Louisiana Revised Statutes of 1950 (the "Act"), and the City of Morgan City, State of Louisiana, a political subdivision of the State of Louisiana (the "Participant").

### WITNESSETH:

WHEREAS, LEPA was created by the Act to provide a means for those Louisiana municipalities which are members of LEPA to secure electric power and energy for their present and future needs; and

WHEREAS, the Participant owns and operates an electric utility system as a part of its Combined Utilities System and is a member of LEPA; and

WHEREAS, LEPA is empowered by the Act (i) to acquire and construct facilities for the generation and transmission of electric power and energy, or to acquire an interest in any such facilities; (ii) to purchase, sell, transmit or otherwise use electric power and energy within or without the State of Louisiana; (iii) to issue its revenue bonds to pay all or part of the cost of acquiring facilities for the generation and transmission of electric power and energy; and (iv) to do all acts and things necessary to carry out the purposes and to exercise the powers granted to LEPA under the Act; and

WHEREAS, LEPA intends to acquire, construct, operate and maintain an electric power facility at Morgan City, Louisiana, as more fully described in **Exhibit A** attached hereto, named "LEPA Unit No. 1" (the "Project") from which electric power and energy will be transmitted to the Point of Delivery; and

WHEREAS, in order to enable LEPA to issue its revenue bonds to pay the cost of acquiring and constructing the Project it is necessary for LEPA to have uniform binding contracts with the Participant and such other municipalities purchasing power and energy of the Project and to pledge the payments required to be made in accordance with such contracts as security for the payment of such revenue bonds; and

WHEREAS, LEPA and the Participant are legally empowered to enter into and perform this Power Sales Contract by virtue of the powers and authority granted by the Act, including particularly R.S. 33:4545.7 and 33:4545.9;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

SECTION Definitions and Explanations of Terms. As used herein:

**"Act"** shall mean Chapter 10-A of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto.

**"Annual Budget"** shall mean the annual budget of operating revenues and expenditures of the Project adopted each year by LEPA, and any amendments thereto.

**"Bond Anticipation Notes"** shall mean notes issued in one or more series pursuant to the terms of the Bond Resolution and under the authority of the Act and/or Chapter 14-B of the Title 39 of the Louisiana Revised Statutes of 1950, as amended, in anticipation of the issuance of Bonds which have been duly and lawfully authorized.

**"Bond Resolution"** shall mean the resolution adopted by the Board of Directors of LEPA on May 31, 2013 authorizing the issuance of Bonds, and all amendments and supplements thereto adopted in accordance with the provisions thereof.

**"Bonds"** shall mean the Obligations from time to time issued by LEPA, pursuant to and as defined in the Bond Resolution, to pay any part of the Cost of Acquisition and Construction of the Project and to pay the costs of engineering, financial, legal and economic surveys, studies and work relating to future power supply, including an allocable portion of LEPA's administrative

and general expenses, and shall include Bond Anticipation Notes, additional Bonds and refunding Bonds issued in accordance with this Power Sales Contract and the Bond Resolution.

**"Combined Utilities System"** shall mean the combined utilities system of the Participant of which the electric power and light plant and system of the Participant is a part. The Participant's electric utility system shall be deemed to be a Combined Utilities System for purposes of this Power Sales Contract if the revenues of the electric utility system (i) are commingled with the revenues of one or more other utility systems owned by the Participant, or (ii) are utilized to pay operating expenses of the Participant's electric utility system and one or more other utility systems owned by the Project Participant, or (iii) are pledged to secure bonds issued to finance one or more other utility systems owned by the Project Participant.

**"Contract Year"** shall mean the twelve (12) month period, commencing at 12:01 a.m. on January 1 of each year and expiring at 12:01 a.m. of the next succeeding January 1, except that the first Contract Year (which may be less than twelve months) shall commence on the first to occur of (i) the date to which all interest is capitalized with respect to the initial series of Bonds, (ii) the date which is twelve months prior to the date on which the first principal installment on any of the Bonds is due or (iii) the Date of Commercial Operation of the Project.

**"Contract"** or **"Power Sales Contract"** shall mean this Power Sales Contract.

**"Cost of Acquisition and Construction"** shall mean, to the extent not included in Monthly Power Costs, all costs of developing, studying, planning, engineering, financing, constructing, acquiring, placing in operation and improving the Project, including related electric transmission facilities and upgrades necessary to interconnect the project at the Point of Delivery, and any natural gas pipeline facilities necessary to transport fuel supply to the Project, heretofore or hereafter paid or incurred by LEPA, all as contemplated by the term "Cost of Acquisition and Construction" as defined in the Bond Resolution, which shall include, but shall not be limited to, funds for:

interest accruing in whole or in part on Bonds prior to and during construction and for such additional period as LEPA may reasonably determine to be necessary, in accordance with the provisions of the Bond Resolution;

allowance for working capital requirements of the Project, including the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution as a reserve for the expenses of operation and maintenance of the Project and set aside therein as a general reserve;

the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution to meet Debt Service reserve requirements for Bonds;

the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution as a reserve for renewals, replacements and contingencies and retirement from service or disposal of any facilities of the Project, including restoration of lands with respect thereto, or as a general reserve;

all federal, state and local taxes and payments in lieu of taxes legally required to be paid in connection with the acquisition and construction of the Project;

all costs relating to claims or judgments arising out of construction of the Project;

planning and development costs, engineering fees, contractors' fees, costs of obtaining governmental or regulatory permits, including interconnection-related study and facilities costs, licenses and approvals, costs of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal and financing costs, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

the payment and reimbursement to LEPA's member municipalities of any and all amounts advanced by them to LEPA prior to the sale and issuance of Bonds for Project expenses;

the acquisition of fuel for the Project;

all costs and expenses relating to claims or judgments arising out of the construction and operation of the Project;

all costs and expenses relating to injury and damage claims arising out of the construction and operation of the Project;

the costs and expenses, including discounts to the underwriters or other purchasers thereof, if any, incurred in the issuance and sale of bonds, notes or other evidences of indebtedness from time to time issued, the proceeds of which have been or will be required to be applied to one or more purposes for which Bonds could be issued;

all other costs incurred in connection with, and properly chargeable in accordance with Uniform System of Accounts to, the acquisition and construction of the Project; and

the payment of principal, premium, if any, and interest when due (whether at the maturity of principal or at the due date of interest or upon redemption) on Bond Anticipation Notes or Subordinated Indebtedness issued to finance any of the costs referred to above.

Prior to the Date of Commercial Operation of the Project, LEPA shall apply as a credit against the Cost of Acquisition and Construction of the Project, to the extent they have not been credited against Monthly Power Costs, all proper credits thereto, including, without limitation, all receipts, revenues and other monies received by it or credited to it from insurance proceeds, condemnation awards, damages collected from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property and test energy, all relating to the Project, and interest earned on investments held under the Bond Resolution.

**"Date of Commercial Operation"** shall mean the day on which the Project is placed in normal continuous operation, presently anticipated to be October 13, 2015.

**"Decommissioning Account"** shall mean the account established and maintained pursuant to Section 26 of this Power Sales Contract.

**"Debt Service"** shall mean, with respect to any period, the aggregate of the amounts required by the Bond Resolution to be paid or deposited during said period into any fund or account created by the Bond Resolution for the sole purpose of paying the principal (including sinking fund installments) of, or premium, if any, and interest on, all Bonds and Bond Anticipation Notes from time to time outstanding as the same shall become due.

**"Energy and Operating Reserve Markets"** shall mean the Day Ahead and/or Real Time Energy and Operating Reserve Markets operated by MISO.

**"Entitlement Share"** shall mean, with respect to each Participant, that percentage of Project Capability shown opposite the name of such Participant in the Schedule of Participants, which percentage is subject to adjustment as provided in Section 29.

**"Market Participants"** shall mean those organizations or entities registered with MISO to participate in the Energy and Operating Reserve Markets.

**"Minimum Loading Level"** shall mean, with respect to each Participant, the minimum amount of production which such Participant may be required to schedule when the Project is operating, which minimum amount in any hour shall be determined by multiplying the minimum amount of production which LEPA finds and determines, in its sole discretion, is necessary to permit the reliable, safe and economic operation consistent with MISO Market Rules and Protocols, by a fraction the numerator of which is such Participant's Entitlement Share and the denominator of which is the aggregate of the Entitlement Shares of all the Participants.

**"MISO"** shall mean the Midwest Independent Transmission System Operator, Inc. a Federal Energy Regulatory Commission-approved Regional Transmission Operator (RTO), including any successor thereto.

**"MISO Energy Market Charges"** shall mean charges and credits that appear on the MISO Settlement Statements that relate to the operation of the Project in the MISO Day-Ahead and Real-Time Energy market.

**"MISO Market Rules and Protocols"** shall mean the Market Rules and Protocols of MISO as defined in MISO's Business Practice Manuals.

**“MISO Operating Reserve Market Charges”** shall mean charges and credits that appear on MISO Settlement Statements that relate to the operation of the Project in the Day-Ahead and Real-Time Operating Reserve Markets.

**“MISO Settlement Statements”** shall mean reports provided by MISO to Market Participants containing some aggregate and some detailed charge type information and determinant data regarding financial obligations for Energy and Operating Reserve Market activities and services, allowing for the verification by the Market Participant of Settlement (as defined in MISO Market Rules and Protocols) invoiced amounts.

**“MISO Tariff”** shall mean MISO’s Open Access Transmission and Energy Markets Tariff, including the resource adequacy requirements of Module E and E-1, as amended from time to time.

**“Month”** shall mean a calendar month.

**“Monthly Power Costs”** shall mean, with respect to each Month of each Contract Year, all costs (other than Project Energy Related Costs) attributable to the Project, to the extent not paid from the proceeds of Bonds (including income from investment of such proceeds) to the extent permitted by the Bond Resolution, that are paid or incurred by LEPA during such Month resulting from the ownership, operation, maintenance and termination of, and repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Project, and the costs of delivery of power and energy associated with Project Capability to the Point of Delivery, without limitation, the following items of cost:

- (1) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution for the payment of Debt Service on Bonds;
- (2) the amount required under the Bond Resolution to be paid or deposited during such Month into any fund or account established by the Bond Resolution (other than funds and accounts referred to in clause (1) above and (6) below), including any amounts required to be paid or deposited by reason of the transfer of monies from such funds or accounts to the funds or accounts referred to in clause (1) above;
- (3) fees and other payments associated with interest rate and commodity swaps and hedging transactions, including any termination fees associated therewith;
- (4) any amount which LEPA may be required during such Month to pay for insurance procured pursuant to Section 19 or for the prevention or correction of any loss or damage or for renewals, replacements, repairs, additions, improvements, betterments, and modifications which are required or which are necessary to keep the Project in good operating condition or to prevent a loss of revenues therefrom, but in each case only to the extent that (a) funds for such payment are not available to LEPA from any funds or accounts established under the Bond Resolution for such purpose or (b) funds for such payment are not provided by the issuance of Bonds;
- (5) the costs of operating and maintaining the Project and of producing and delivering capacity and energy therefrom during such Month (including allocable portions of LEPA’s administrative and general expenses and working capital, for fuel or otherwise, but excluding Project Energy Related Costs and depreciation) not included in the costs specified in the other items of this definition and properly chargeable to the Project;
- (6) the amounts required to be paid or deposited during such Month into any fund or account established by the Bond Resolution or otherwise for the payment of principal of, and premium, if any, and interest on, any Subordinated Indebtedness other than any amount payable as principal, premium or interest solely as a result of acceleration of maturity of any Subordinated Indebtedness;
- (7) the amounts determined by LEPA to be deposited for such month in the Decommissioning Account pursuant to Section 26 hereof;
- (8) any additional amount relating to the Project not specified in the other items of this definition (excluding Project Energy Related Costs) which must be paid by LEPA;
- (9) any additional amount not in excess of 2% of the amount required to be paid pursuant to clause (1) above for engineering, financial, legal and economic surveys, studies and work

relating to future power supply, including an allocable portion of LEPA's administrative and general expenses; and

(10) any additional amount which must be realized by LEPA during such Month in order to meet the requirement of any rate covenant of the Bond Resolution with respect to Debt Service coverage with respect to Bonds or which LEPA deems advisable in the marketing of Bonds.

**“NERC”** shall mean the North American Electric Reliability Corporation and any regional reliability organization.

**"Net Electric Capacity and Energy"** shall mean the gross electric generating capability and associated electric energy of the Project less the associated electric energy utilized by the Project for all processes, auxiliary equipment and systems used or useful in connection with startup, operation, maintenance, control, supply or shutdown of the Project.

**"Participants"**, unless the context indicates otherwise, shall mean, in the singular, the Participant named on the front cover of this Power Sales Contract, and in the plural, the parties, including the Participant, other than LEPA, to Power Sales Contracts substantially similar hereto and named on the Schedule of Participants attached hereto as **Exhibit B**.

**"Participants Committee"** shall mean the committee created pursuant to Section 8 herein.

**"Point of Delivery"** shall mean, with respect to the Project, the point of interconnection at the Morgan City 138 kV substation and the transmission facilities of CLECO LLC.

**"Power Sales Contracts"** shall mean this Power Sales Contract and the other Power Sales Contracts, dated the date hereof, between LEPA and the other Participants, all of which are uniform in all material respects in their terms, conditions and provisions with the exception of the Entitlement Share for each of the Participants.

**"Project"** shall mean LEPA Unit No. 1, an approximately 64 MW, nominal, combined cycle combustion turbine electric generating unit located in Morgan City, Louisiana, including the site therefor, and all related facilities owned, leased or used by LEPA in connection with the operation thereof.

**"Project Capability"** shall mean the amount of Net Electric Capacity and Energy, if any, which the Project is capable of generating at any particular time (including times when the Project is not operable, or operating, or the operation thereof is suspended, interrupted, interfered with, reduced or curtailed, in each case in whole or in part for any reason whatsoever).

**"Project Energy Related Costs"** shall mean, with respect to the Project, those costs which vary with the amount of capacity and energy produced from time to time, which are directly related to the amount of capacity and energy produced. Such costs shall include, but not be limited to, the cost of fuel, MISO Energy Market Charges and MISO Operating Reserve Market Charges, variable operation and maintenance costs, and consumables.

**"Prudent Utility Practice"** shall mean, at a particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior to the time of the reference, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. Prudent Utility Practice shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, or facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project.

**“Resource Adequacy Requirements”** shall mean the planning reserve procedures and requirements in Module E of the MISO Tariff, as that Module shall be amended and the Business Practices Manual for Resource Adequacy that ensure there are adequate planning resources available for load serving entities to reliability meet their load serving obligations.

**"Schedule of Participants"** shall mean the Schedule of Participants attached hereto as **Exhibit B**, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.



**"Subordinated Indebtedness"** shall mean any bonds, notes, debentures, obligations or other evidence of indebtedness of LEPA secured on a subordinate basis to the Bonds or Bond Anticipation Notes by a pledge of the payments required to be made by the Participant under Section 5 of this Power Sales Contract and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract.

**"Supplemental Agreement"** shall mean any agreement which is necessary to:

- (1) obtain Participant's Entitlement Share and/or Capacity and Energy from the MISO Energy and Operating Reserve Markets and to meet Resource Adequacy Requirements and any MISO Tariff requirement;
- (2) supplement capacity and energy and related services provided by LEPA from the MISO Market under MISO Market Rules and Protocols and MISO Tariff for service to the Participant's load; and
- (3) effectuate transmission from the Point of Delivery to load.

**"Uncontrollable Forces"** shall mean any cause which is beyond the control of LEPA and which, by the exercise of due diligence, LEPA is unable to overcome, and shall include, but not be limited to, an act of God, fire, flood, explosion, strike, sabotage, an act of the public enemy, civil or military authority, including court orders, injunctions and orders of government agencies with proper jurisdiction prohibiting acts necessary to performance hereunder or permitting such act only subject to unreasonable conditions, insurrection or riot, an act of the elements, failure of equipment or inability to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers.

**"Uniform System of Accounts"** shall mean the Federal Energy Regulatory Commission Uniform Systems of Accounts Prescribed for Public Utilities and Licensees (Class A and Class B), as the same may be modified, amended or supplemented from time to time.

**SECTION Term of Contract.** This Power Sales Contract shall become effective on the date of delivery of the first issue or series of Bonds, provided the Power Sales Contracts shall have been executed and delivered on or prior to such date by Participants whose Entitlement Shares as shown on the Schedule of Participants equal in the aggregate 100%.

Unless terminated pursuant to Section 25 hereof, this Power Sales Contract shall continue in effect until the later of (i) the date the principal of, premium, if any, and interest on all Bonds and Subordinated Indebtedness have been paid or funds have been set aside for the payment thereof in accordance with the provisions of the Bond Resolution, or (ii) the earlier of (A) the date the Project and all of its associated facilities are no longer used and useful for the generation of electricity, or (B) until October 13, 2065, a date that is fifty (50) years from the estimated Date of Commercial Operation.

Neither termination nor expiration of this Power Sales Contract shall affect any accrued liability or obligation hereunder. Notwithstanding the foregoing, in the event it is ultimately determined that any other Participant failed to duly and validly execute and deliver its Power Sales Contract, or if any other Power Sales Contract, or any portion thereof, shall be deemed invalid or unenforceable for any other reason whatsoever, such determination shall in no way affect the commencement, term or enforceability of this Power Sales Contract or the Participant's obligations hereunder.

**SECTION Covenants of LEPA.** LEPA agrees that it shall use its best efforts (i) to plan, finance, construct, acquire, operate, maintain and manage, or arrange for the planning, financing, construction, acquisition, operation, maintenance and management of, the Project in accordance with Prudent Utility Practice and so as to meet the requirements of government agencies having jurisdiction and under the MISO Tariff and MISO Market Rules and Protocols; (ii) to obtain, or arrange for obtaining, federal, state and local permits, licenses and other rights and regulatory approvals necessary for the financing, construction, acquisition, operation and maintenance of the Project; and (iii) from time to time to issue and sell Bonds in accordance with the Bond Resolution to finance the Cost of Acquisition and Construction of the Project and to finance the cost of any capital additions, renewals, repairs, replacements or modifications to the Project not otherwise provided for, which are permitted by the terms of the Bond Resolution, but in each case only to the extent that Bonds may then be legally issued and sold therefor.

**SECTION Sale and Purchase.** LEPA hereby sells, and the Participant hereby purchases, the Participant's Entitlement Share of Project Capability. The Participant shall, in accordance

with and subject to the provisions of Section 5, pay to LEPA (i) for its Entitlement Share of Project Capability, an amount determined by multiplying Monthly Power Costs by the Participant's Entitlement Share and (ii) ) for the greater of: a) its Entitlement Share of the Project Energy Related Costs supplied at the Point of Delivery, an amount determined by multiplying the monthly Project Energy Related Costs by the Participant's Entitlement Share or, b) its energy weighted share of monthly Project Energy Related Costs for energy scheduled and delivered to the Point of Delivery pursuant to this Power Sales Contract, an amount determined by multiplying Project Energy Related Costs by a fraction the numerator of which is the number of kilowatt hours of energy scheduled from the Project by the Participant pursuant to this Power Sales Contract during the Month to which such payment relates and the denominator of which is the total kilowatt hours of energy scheduled from the Project by all Participants pursuant to Power Sales Contracts during such Month. Such payments are to be computed and made as provided in Section 5 below.

On an annual basis, LEPA shall collect data and perform tests in accordance with any NERC or MISO Tariff requirement to determine the capacity of the Project for purposes of meeting the Resource Adequacy Requirements.

SECTION Method of Payment. On or before 30 days prior to the estimated commencement of the first Contract Year and on or before December 1 prior to the beginning of each Contract Year thereafter, LEPA shall prepare and mail to the Participant a budget showing an estimate by Month of the Monthly Power Costs and Project Energy Related Costs, and the Participant's share of each, for the following Contract Year, which estimates will establish the basis for the Participant's payments in respect of Monthly Power Costs and Project Energy Related Costs allocable to the Participant as hereinafter provided.

On or before the 15th day of each Month beginning with the Month **next** preceding the commencement of the first Contract Year, LEPA shall render to the Participant a monthly statement showing (i) the amount payable by the Participant in respect of Monthly Power Costs for the following Month, as estimated by LEPA based on information provided by the Participants; (ii) the amount payable by the Participant in respect of Project Energy Related Costs for the following Month, as estimated by LEPA; (iii) the amount, if any, credited to or payable by the Participant with respect to any adjustment for actual Monthly Power Costs and Project Energy Related Costs incurred during a prior Month for which credit or payment has not been made; (iv) the credits, if any, against Monthly Power Costs determined in accordance with paragraphs (j) and (k) of this Section 5; (v) other credits, if any, against Monthly Power Costs; and (vi) any other amounts payable by or credited to such Participant pursuant to this Power Sales Contract or the Bond Resolution; and such Participant shall pay the total of such amounts as specified in this Section 5.

At the end of each quarter of each Contract Year and at such other times as it shall deem desirable, LEPA shall review its budget of Monthly Power Costs and Project Energy Related Costs for the Contract Year. In the event such review indicates that such budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or payments of costs substantially affecting Monthly Power Costs and Project Energy Related Costs, LEPA shall prepare and provide to the Participant a revised budget incorporating adjustments to reflect such receipts, credits or payments which shall supersede the previous such budget as a basis for the Participant's monthly payments hereunder for the balance of that Contract Year.

Monthly payments required to be paid to LEPA pursuant to this Section 5 shall be due and payable in immediately available funds at the principal office of LEPA, or such other address as LEPA shall designate in writing to the Participant, on the 10th day of the Month with respect to which the monthly statement was rendered.

If payment in full is not made on or before the close of business on the due date, a delayed-payment charge on the unpaid amount due for each day overdue will be imposed at a rate equal to the annual percentage rate of interest being charged on such day for 90-day loans to substantial and responsible borrowers by the bank serving as Trustee under the Bond Resolution, plus 1%, or the maximum rate lawfully payable by the Participant, whichever is less. If said due date is Saturday, Sunday or a holiday, the next following business day shall be the last day on which payment may be made without the addition of the delayed-payment charge.

In the event of any dispute as to any portion of any monthly statement, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to LEPA not later than the date such payment is due. Such notice shall

identify the disputed bill, state the amount in dispute and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for-disputed charges unless notice is given as aforesaid. LEPA shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication or otherwise) of the correct amount, any difference between such correct amount and such full amount shall be subtracted from the statement next submitted to the Participant after such determination.

On or before one hundred eighty days after the end of each Contract Year, LEPA will submit to the Participant a detailed statement of the actual aggregate Monthly Power Costs and Project Energy Related Costs, and the Participant's share of each, and all other amounts payable by or credited to the Participant pursuant hereto for all of the Months of such Contract Year, based on the annual audit of accounts provided for in Section 20 hereof. If, on the basis of the statement submitted as provided in this paragraph (g), the actual Monthly Power Costs and Project Energy Related Costs allocable to the Participant and other amounts payable for such Contract Year exceed the estimate thereof on the basis of which the Participant has been billed, the Participant shall pay LEPA within ten business days the amount of such excess. If, on the basis of the statement submitted pursuant to this paragraph (g), the actual Monthly Power Costs and Project Energy Related Costs allocable to the Participant or other amounts payable for such Contract Year are less than the estimate therefor on the basis of which such Participant has been billed, LEPA shall credit such Participant's next monthly statement or statements pursuant to this Section 5.

Project Energy Related Costs, including any adjustments thereto, shall be determined by LEPA in accordance with the applicable provisions of this Power Sales Contract. The Participant shall pay such amounts pursuant to paragraphs (b) and (d) of this Section 5.

The obligations of the Participant to make the payments under this Section 5 shall constitute obligations of the Participant payable as an operating expense of the Participant's Combined Utilities System solely from the revenues derived by the Participant from the ownership and operation of its Combined Utilities System, and such payments shall be made whether or not the Project is completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Project for any reason whatsoever in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance or nonperformance by LEPA or any other of the Participants under this or any other agreement or instrument.

The Participant covenants and agrees that it will not issue bonds, notes or other evidences of indebtedness, or enter into any contract or agreement or incur any expenses, payable from or secured by revenues of the Participant's Combined Utilities System superior to or having a priority over the obligations of the Participant to make the payments required under this Section 5.

The obligation of the Participant to make the payments under this Section 5 shall not constitute an indebtedness of the Participant for the purpose of any constitutional or statutory limitation or a legal or equitable pledge, charge, lien or encumbrance upon any property of the Participant or upon any of its income, receipts or revenues, except the revenues of its Combined Utilities System, and neither the faith and credit nor the taxing power of the Participant is pledged for the payment of any obligation hereunder.

The reasonably anticipated proceeds from sales of Project power and energy shall be estimated in preparing the budgets required under this Section 5 and any revenues actually received by LEPA as a result of such sales shall be applied as a credit against Monthly Power Costs.

LEPA shall use its best efforts to collect or cause to be collected and shall apply to the retirement of the Bonds by purchase or redemption, to the extent not credited or to be credited against the Cost of Acquisition and Construction or required to be otherwise applied under the Bond Resolution, all receipts, revenues and other moneys received by it or credited to it from insurance proceeds, condemnation awards, damages in connection with the construction of the Project collected from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project. LEPA shall apply as a credit against Monthly Power Costs, in such manner as LEPA may determine, interest earned on investments held under the Bond Resolution to the extent not credited against the Cost of Acquisition and Construction.

SECTION Scheduling of Deliveries. To the extent the Project is operable, LEPA will offer, or cause to be offered, the Project in the MISO Energy and Operating Reserve Markets with each Participant receiving its Entitlement Share or credit for its Entitlement Share of capacity and energy generated by the Project. LEPA shall be responsible for transmission of the power to the Point of Delivery and each Participant is responsible for obtaining any necessary transmission service from the Point of Delivery to its load. Each Participant shall enter into any Supplemental Agreements with LEPA and/or a third party prior to the Date of Commercial Operation to ensure that Participant can take title to energy and capacity delivered at the Point of Delivery. To the extent the Project is not operating in MISO, or the Participant elects to self-schedule, commencing on the Date of Commercial Operation, the Participant shall be entitled to schedule, pursuant to this Section 6, electric capacity and energy to which the Participant is entitled under this Power Sales Contract subject to the following criteria:

(a) To the extent the Project is operating, or scheduled to operate by LEPA at no less than its Minimum Loading Level as established by LEPA, in the MISO market, or such other regional transmission organization(s) and electricity markets, the Participant may schedule operation of its Entitlement Share of the Project at an amount not less than the ratio of the Project's minimum rating to the Project normal maximum rating, as established by the LEPA Board of Directors from time to time, multiplied by the Participant's Entitlement Share.

(b) To the extent the Project is not operating, nor scheduled to operate by LEPA at least at its Minimum Loading Level in the MISO market, the Participant may self-schedule at no less than the Project's minimum rating and no greater than the full amount of its Entitlement Share of the remaining unscheduled capacity of the Project plus the Project's minimum rating, by providing notice to LEPA of its schedule and provided that LEPA and the other Participants who do not self-schedule the Project are made whole by a self-scheduling Participant(s) from any adverse incremental cost effects associated with a Participant's self-scheduling arising under the MISO Market Rules and Protocols and Tariffs. Such adverse cost effects may include Project start-up costs, fuel costs, MISO penalties, and long term maintenance costs, as determined by the LEPA Board of Directors and based on MISO Settlement Statements. In the event that multiple Participants elect to self-schedule under this provision, each Participant will be allocated its pro-rata share of the Project's minimum rating and each Participant may self-schedule at no less than its allocated share of the Project's minimum rating and no greater than the full amount of its Entitlement Share of the remaining unscheduled capacity of the Project plus its allocated share of the Project's minimum rating.

The Participant shall provide to LEPA or its designee written schedules, including revisions from time to time, for such production and use, which schedules shall be submitted in a manner and form sufficient to allow LEPA to satisfy requirements for scheduling to prepare the budgets required under Section 5. LEPA shall use its best efforts to schedule or cause to be scheduled such production and use in accordance with the schedules furnished to it by the Participant as herein provided, including revisions thereto made by the Participant and revisions thereto made by LEPA as necessary to provide for associated transmission losses; provided that the Participant's dispatcher shall be permitted to maintain communication with LEPA for purposes of modifying schedules during periods of emergency or for economic dispatch of energy production; and provided further that the Participant shall promptly notify LEPA of any such schedule modifications. LEPA shall inform the Participant's dispatcher when the Participant's schedule of energy production in any hour shall be increased to the Participant's Minimum Loading Level. LEPA shall use its best efforts to keep the Participant informed of all matters which may affect the Participant's ability to carry out the provisions of this Section 6. All schedules, including revisions thereto, shall be adjusted after the fact by LEPA to reflect actual deliveries of electric capacity and energy under this Power Sales Contract.

Except as provided in this Section 6, the Participant shall not be entitled to schedule in any hour production of power and energy in excess of such Participant's Entitlement Share.

SECTION Disclosure. It is recognized that, as a result of obligations in connection with or as the result of any sale of Bonds or Subordinated Obligations, LEPA will be obligated to make certain disclosures from time to time, and the Participant hereby covenants and obligates itself to furnish LEPA with the necessary information to permit it to satisfy its disclosure obligation.

SECTION Establishment of Participants Committee. A Participants Committee is hereby established to provide for effective cooperation and interchange of information and to provide coordination on a prompt and orderly basis among the Participants and LEPA in connection with the various financial, administrative and technical matters which may arise from time to time in connection with construction and operation of the Project. The Participants Committee shall consist of one representative from each Participant.

LEPA shall call Participants Committee meetings at least twice per calendar year at dates to be set by a vote of the Participants Committee. LEPA shall give each Participant 30 days notice of the date of the first Participants Committee meeting. A special meeting of the Participants Committee may be scheduled by LEPA or upon the written request of any two Participants with no less than two business days notice. Except as specifically provided for in this Power Sales Contract, neither any one Participant nor any Participants Committee shall have any power to alter the terms and conditions of any Power Sales Contract, the services to be provided by LEPA pursuant to any Power Sales Contract, and the costs and billing therefor, or any other Power Sales Contract or Contracts between LEPA and any other entity with respect to the Project.

Each Participant shall name a designated voting representative who shall be an official or employee of the Participant. Such voting representative shall be named by the Participant, in writing, filed with LEPA at least ten business days prior to the first meeting of the Participants Committee to be called pursuant to paragraph (b) above. All Participant votes to be taken pursuant to this Power Sales Contract shall be cast only by a designated voting representative. A procedure for changes in voting representative may be adopted by the Participants at the first meeting of the Participants Committee or any meeting thereafter. A majority of Participant designated voting representatives constitutes a quorum for a Participants Committee meeting. Fifty-one percent (51%) of designated Participant voting representatives present and voting at the meeting, plus designated Participant voting representatives present and voting at the meeting having Participant's Entitlement Shares totaling sixty-six and two-thirds percent (66-2/3%) of all Participant's Entitlement Shares at the meeting shall decide a question.

The agenda for any Participants Committee meetings may include a review of reports required to be produced by this Power Sales Contract, reports on significant developments affecting the Project, a review of LEPA costs and Annual Budget, or amended Annual Budget and the discussion or preparation of appropriate recommendations to LEPA. A Participants Committee Chairperson, who will chair all Participants Committee meetings shall be designated in accordance with paragraph (e) below.

LEPA, on its own, or at the request of at least two Participants in accordance with paragraph (b) above, shall (i) make arrangements for posting Participants Committee meetings in accordance with the open meetings law, (ii) notify all Participants of the time, place and date of each such meeting, and (iii) prepare minutes of all such meetings. After Participants Committee approval, all such minutes shall be provided to all Participants. The Chairperson of the Participants Committee shall be elected to serve a one-year term. A Chairperson shall be elected at the first meeting of the Participants Committee. The Chairperson or, in the Chairperson's absence, a Vice Chairperson elected by the Participants Committee for a one-year term, shall be responsible for presiding over meetings of the Participants Committee.

**SECTION Participants Committee Responsibilities.** Pursuant to an affirmative vote, the Participants Committee may petition the LEPA Board of Directors for action/vote on any item related to the Project. The LEPA Board of Directors must take action on any item brought before them by a Participants Committee.

The Participants Committee shall have the following responsibilities:

Provide liaison between LEPA at the management level and the Participants with respect to the construction and operation of the Project.

Exercise general supervision over any committee established pursuant to Section 12 hereof.

Review, discuss and attempt to resolve any disputes among the Participants or among one or more of the Participants and LEPA relating to the Project.

Make recommendations to LEPA with respect to the construction and operation of the Project.

Review, modify and approve the form of the written statistical and administrative reports and information and other similar records and reports to be furnished to the Participants by LEPA.

Review and comment on the schedule of planned maintenance outages formulated by LEPA including the policies for selection and utilization of maintenance contractors for contract maintenance included in the annual budget with respect to the Project. In reviewing and

commenting on such schedules, consideration shall be given to the conditions of each Participant's system which may prevail during such planned maintenance outage.

Review and comment on the Annual Budget and any amendments thereto.

Review and comment on the fuel procurement plan or any amendment thereto, including emergency fuel procurement, and the policies or programs formulated by LEPA for the procurement and consumption of fuel, hedging of fuel costs, and determining or estimating values, quantities, expenses and costs of fuel.

Review and comment on and make recommendations for all capital improvements and the budgets or other provisions for the payment or financing thereof.

Review, comment and vote on plans for capital improvements and the budget or other provisions for the payment or financing thereof.

Review and comment on LEPA insurance program with respect to the Project including, without limitation, the establishment of any self-insurance program and the maximum amount or amounts of an uninsured claim that LEPA may settle without prior consultation with the Participants Committee.

SECTION Change in Representative. Each Participant shall promptly give notice to the other Participants and to LEPA of any changes in the designation of its representative on any committee, and LEPA shall promptly give notice to the Participants of any changes in the designation of its representative on any committee.

SECTION Representative's Expenses. Any expenses incurred by any representative of any Participant, or group of Participants, serving on the Participants Committee or any other committee in connection with his/her duties on such committees shall be paid by the Participant or Participants which he/she represents and shall not be payable under this Power Sales Contract.

SECTION Additional Committees. The Participants Committee may establish, as needed, in its sole discretion, other committees. The authority, membership and duties of any such committee(s) shall be established by the Participants Committee; provided, however, such authority, membership or duties shall not conflict with the provisions of any of the Power Sales Contracts or the Bond Resolution. Each such committee shall be responsible and report to the Participants Committee.

SECTION Written Record. All actions, resolutions, determinations and reports made by the Participants Committee or any other committee as required or established by this Power Sales Contract shall be set forth in a written record and its minutes.

SECTION Compliance with Other Documents. It is recognized by LEPA and the Participants that the planning, financing, construction, acquisition, operation and maintenance of the Project must comply, in all respects, with requirements of this Power Sales Contract and the Bond Resolution, MISO Tariff, MISO Market Rules and Protocols, any interconnection agreement and all license, permits and regulatory provisions necessary for such planning, financing, construction, acquisition, operation and maintenance of the Project, and it is therefore agreed that, notwithstanding any other provision of this Contract, (i) no action by any Participant or the Participants Committee shall require LEPA to act in any manner inconsistent with the Bond Resolution or any such requirements or to refrain from acting as therefore required, and (ii) if the Participants Committee shall fail to make recommendations or act with respect to any matter in connection with an action that is required to be taken pursuant to any of the foregoing, LEPA shall take such action as is appropriate to assure compliance with the foregoing, and it is therefore agreed that this Contract is made subject to the terms and provisions of the Bond Resolution and all such licenses, permits and regulatory approvals.

SECTION Point of Delivery; Power Factor; Metering. LEPA shall use its best efforts to deliver, or cause to be delivered, to the Point of Delivery, the capacity and energy scheduled pursuant to Section 6 of this Power Sales Contract.

LEPA reserves the right to provide for installation of meters and will provide or cause to be provided all necessary metering equipment for determining the quantity and conditions of the supply of electric power and energy delivered by LEPA under this Power Sales Contract and all metering shall comply with the MISO Tariff. LEPA shall test and calibrate meters or cause meters to be tested and calibrated by comparison with accurate standards at intervals of not less than twelve months. LEPA shall also make or cause to be made special meter tests at

any time at the Participant's request. The cost of all tests shall be included as Monthly Power Costs except that if any special meter test made at the Participant's request shall disclose that the meters are recording accurately, the Participant shall bear the cost of such test. Meters registering not more than two percent above or below normal shall be deemed to be accurate.

SECTION Use of Excess Project Power and Energy. From time to time throughout the useful life of the Project there may be excess Project power and energy available incidental to normal demand factors of the electric systems of the Participants or the Project's dispatch to MISO. In order to achieve efficiency and economy in the sale of such excess Project power and energy, LEPA shall be responsible for arranging for the sale of excess Project power and energy, including sales among the Participants as well as sales to other entities, and for the making of appropriate payments or credits of the proceeds of such sales to the respective Participants in accordance with criteria and procedures to be established by the Board of Directors of LEPA.

SECTION Tax Covenant. The Participant covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will not take any action with respect to its Entitlement Share of Project Capability (or fail to take any action with respect to its Entitlement Share of Project Capability that may be required or otherwise necessary to be taken) that may cause interest on the Bonds to be included in "gross income" under the Internal Revenue Code of 1986, as amended.

SECTION Character and Continuity of Service. Power and energy delivered hereunder shall be at the nominal voltage for the Point of Delivery and shall be three-phase alternating current, at approximately sixty cycles per second. LEPA may temporarily interrupt or reduce deliveries of electric energy to the Point of Delivery if LEPA determines that such interruption or reduction is necessary in case of emergencies, or in order to install equipment in, make repairs to, replacements, investigations and inspections of, or perform other maintenance work on, the Project. Except for emergency situations, LEPA will consult with each Participant in the annual scheduling of maintenance for the Project. Notwithstanding the foregoing, LEPA will determine the timing of the installation of equipment in, repairs to, replacements, investigations and inspections of, or performance of other maintenance work on, the Project in its sole discretion and shall comply with MISO Tariff and notification requirements.

Except as interrupted by Uncontrollable Forces or as provided otherwise by this Power Sales Contract, the Participant's Entitlement Share of Project Capability shall be made available in accordance with this Power Sales Contract at all times during the term of this Power Sales Contract; provided, however, that non-delivery of electric power and energy on account of Uncontrollable Forces or for any other reason shall not relieve the Participant from its obligations to make its payments required under Section 5 hereof.

SECTION Insurance. LEPA shall maintain, or cause to be maintained as part of the Cost of Acquisition and Construction and Monthly Power Costs, as appropriate, insurance with respect to the Project in accordance with Prudent Utility Practice and the Bond Resolution. It is understood by the parties that the Participant has an insurable interest in the Project and may procure for its own purposes and in its own name and pay for such insurance with respect to its own insurable interest as it may determine.

SECTION Accounting. LEPA agrees to keep accurate records and accounts relating to the Project and relating to Monthly Power Costs and Project Energy Related Costs in accordance with the Bond Resolution and the Uniform System of Accounts, separate and distinct from its other records and accounts. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by LEPA. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by LEPA to the Participant not later than 180 days after the end of each Contract Year.

The Participant agrees to keep accurate records and accounts relating to the conduct of the business of its Combined Utilities System and shall keep separate and distinct from its other records and accounts accurate records and accounts relating to this Power Sales Contract. Said accounts shall be audited annually by a firm of certified public accountants, experienced in electric utility accounting, to be employed by the Participant. A copy of each annual audit, including all written comments and recommendations of such accountants, shall be furnished by the Participant to LEPA not later than 120 days after the termination of its fiscal year.

SECTION Information to be Made Available. The following shall be made available by LEPA:

- (1) All books of account, records, documentation and contracts in the possession of LEPA relating to the construction and operation of the Project shall be available for examination by the Participant.
- (2) Copies of all agreements and data in the possession of LEPA relating to the financing of the Project shall be available for examination by the Participant.
- (3) Copies of all operating and financial records and reports relating to the Project in the possession of LEPA shall be available for examination by the Participant.
- (4) Copies of policies of insurance carried pursuant to Section 19 hereof shall be available for examination by the Participant.

The Participant shall, upon request, make available to LEPA all such information, certificates, engineering reports, feasibility reports, financial statements, opinions of counsel (including the opinion required by Section 40 hereof) and other documents as shall be reasonably necessary in connection with the financing of the Project and the cost of producing or obtaining the same shall be a part of the Cost of Acquisition and Construction.

**SECTION Bonds, Additional Bonds and Refunding Bonds.** The issuance of an initial amount not exceeding \$157,500,000 of Bonds by LEPA in accordance with the provisions of the Bond Resolution is hereby approved.

Additional Bonds may be sold and issued by LEPA in accordance with the provisions of the Bond Resolution at any time and from time to time in the event, for any reason, the proceeds derived from the sale of Bonds prior to such time shall be insufficient for the purpose of paying the Cost of Acquisition and Construction of the Project and of paying the costs of engineering, financial, legal and economic surveys, studies and work relating to future power supply, including an allocable portion of LEPA's administrative and general expenses.

Additional Bonds may be sold and issued by LEPA in accordance with the provisions of the Bond Resolution at any time and from time to time in the event funds are required to pay the cost of (i) any major renewals, replacements, repairs, additions, betterments, modifications or improvements to the Project necessary to keep the Project in good operating condition or to prevent a loss of revenues therefrom, (ii) any major additions, improvements, repairs and modifications to the Project and any retirement or disposal of the Project required by any governmental agency having jurisdiction over the Project; (iii) additional fuel inventory or any right thereto for the Project to the extent that sufficient funds are not available therefor in any Fund or Account under the Bond Resolution; and (iv) any amounts relating to the Project which LEPA is required to pay to any third party or parties by reason of any judgment or order of any court, commission, bureau, board or regulatory authority of competent jurisdiction to the extent that sufficient funds are not available therefor in any Fund or Account under the Bond Resolution.

Any such additional Bonds shall be secured by the pledge permitted by the provisions of Section 23 of this Power Sales Contract of the payments required to be made by the Participant under Section 5 of this Power Sales Contract and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract, as such payments may be increased and extended by reason of the issuance of such additional Bonds, and such additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be reasonably determined by LEPA to be desirable. Any such additional Bonds issued in accordance with the provisions of the Bond Resolution and this Section 22 and secured by the pledge permitted by the provisions of Section 23 of this Power Sales Contract of payments to be made under this Power Sales Contract may rank *pari passu* as to the security afforded by the provisions of this Power Sales Contract with all Bonds theretofore issued pursuant to the Bond Resolution and secured in accordance with the provisions of this Power Sales Contract.

In the event Monthly Power Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of LEPA, to refund any Bonds, LEPA may issue and sell refunding Bonds in accordance with the Bond Resolution to be secured by the pledge made pursuant to the provisions of Section 23 of this Power Sales Contract of the payments required to be made by the Participant under Section 5 of this Power Sales Contract and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract. Any such refunding Bonds issued in accordance with the provisions of the Bond Resolution and this Section 22 and secured by the pledge of such payments may rank *pari passu* as to the security afforded by the



provisions of this Power Sales Contract with all Bonds theretofore issued pursuant to the Bond Resolution and secured in accordance with the provisions of this Power Sales Contract.

(f) LEPA may issue Subordinated Indebtedness from time to time as permitted under the Bond Resolution.

SECTION Pledge of Payments. All of LEPA's rights, title and interest in this Power Sales Contract and all payments required to be made by the Participant pursuant to the provisions of Section 5, and all other payments attributable to the Project to be made in accordance with or pursuant to any other provision of this Power Sales Contract, may be pledged to secure the payment of Bonds.

SECTION Disposition of the Project. Except as provided in this Section 24, LEPA shall not sell or otherwise dispose of any interest in the Project without the consent of all Participants. Subject to the provisions of the Bond Resolution, this Section 24 shall not prohibit a merger or consolidation or sale of all or substantially all of the Project. If the Project shall be terminated within the provisions of the Bond Resolution, LEPA shall use its best efforts to cause the Project to be economically salvaged, discontinued, disposed of or sold in whole or in part. LEPA shall make monthly accounting statements to the Participant of all costs associated therewith. Such monthly accounting statements shall continue until the Project has been salvaged, discontinued or finally disposed of, at which time a final accounting statement with respect thereto shall be made by LEPA at the earliest reasonable time.

SECTION Termination of the Project. Upon the conclusion of the term of this Contract pursuant to Section 2(b) hereof, or a determination by LEPA, in its sole discretion, that the Project is economically obsolete, and provided that no Bonds or Subordinate Indebtedness are then Outstanding (as defined in the Bond Resolution), LEPA shall terminate the Project. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the construction, operation (including cost of fuel), maintenance of and renewals and replacements to the Project, including any necessary or desirable environmental remediation. Such final accounting statement shall credit to the Participant, and deduct from any amount otherwise chargeable to it, the fair market value of any assets related to the Project then retained by LEPA. If any such final accounting statement shows that the costs referred to above exceed such credits after application by LEPA of all funds held in the Decommissioning Account created herein or funds available under the Bond Resolution for such purpose, the Participant shall pay LEPA the amount shown to be due in such final accounting statement. If any such final accounting statement shows that the costs referred to above are less than such credits after application by LEPA of all other available funds held under the Bond Resolution for such purpose, LEPA shall, subject to provisions of the Bond Resolution, pay the Participant, as an adjustment for overpayments of Monthly Power Costs, an amount determined by multiplying the amount of the excess credit by the Participant's Entitlement Share.

SECTION Decommissioning Account. There is hereby created and shall be maintained by LEPA the Decommissioning Account for the sole purpose of paying costs associated with the termination of the Project set forth in Section 25 herein. Commencing with the Project's tenth year of operation, the Decommissioning Account shall be funded as part of the Monthly Power Costs to an amount equal to the cost to decommission the Project less the net salvage value of the Project, as determined by a study conducted by LEPA at such time. LEPA shall fund the required amount in the Decommissioning Account in equal monthly installments to the expected termination date of the Project; provided, however, that the amount to be deposited shall be adjusted to the extent LEPA obtains a subsequent study to determine the cost to decommission the Project, the net salvage value of the Project and the expected termination date of the Project.

SECTION Covenants of the Participant. The Participant covenants and agrees that in accordance with Prudent Utility Practice it shall (i) at all times operate the properties of its Combined Utilities System and the business in connection therewith in an efficient manner and at reasonable cost, (ii) maintain its Combined Utilities System in good repair, working order and condition and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, equipping and furnishing of its Combined Utilities System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted. The Participant covenants and agrees to cooperate with LEPA in the performance of the respective obligations of such Participant and LEPA under this Power Sales Contract and to fix, charge and collect rents, rates, fees and charges for electric power and energy and other services, facilities and commodities, sold, furnished or supplied through its Combined Utilities System sufficient to provide revenues adequate to meet its obligations under this Power Sales Contract and to pay any and all other amounts payable from or

constituting a charge and lien upon such revenues, including amounts sufficient to pay the principal of and interest on all revenue bonds of the Participant now outstanding or hereafter issued for purposes related to its Combined Utilities System or any part thereof. Participant agrees to work with LEPA and MISO to put in place any necessary agreements, and provide any information, necessary to permit the Project to qualify as a Generation Resource under the MISO Tariff.

SECTION Event of Default; Remedies. Failure of the Participant to (a) make to LEPA any of the payments when due for which provision is made in this Power Sales Contract, (b) perform any action required to be performed by the Participant in this Power Sales Contract, or (c) comply with any covenant of the Participant required by this Power Sales Contract shall constitute an immediate default on the part of the Participant. Upon any such default by the Participant LEPA may, either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of any covenant, agreement or obligation of the Participant under this Power Sales Contract against such Participant. It is expressly provided, however, that LEPA shall take no such action or enforce or attempt to enforce any remedy against the Participant as a result of a failure set forth in subsections (b) or (c) of this Section 28 unless such failure by the Participant is continuing thirty (30) days following written notice from LEPA to the Participant of such failure.

In the event of any default referred to in this Section 28, the Participant shall not be relieved of its liability for payment of the amounts in default and any interest thereon, and LEPA shall have the right to recover from the Participant any amount in default. LEPA may, in its sole discretion and upon five (5) days written notice to the Participant, cease and discontinue providing all or any portion of the Participant's Entitlement Share.

SECTION Transfer of Entitlement Shares Following Default. In the event of a default by the Participant and permanent discontinuance of service pursuant to Section 28 of this Power Sales Contract, LEPA is hereby appointed as agent of the Participant for the purpose of transferring or disposing of the Participant's Entitlement Share and shall first offer to transfer to all other Participants which are not in default a pro rata portion of the defaulting Participant's Entitlement Share which shall have been discontinued by reason of such default. Any part of the Entitlement Share of the Participant which shall be declined by any nondefaulting Participant shall be reoffered pro rata to the nondefaulting Participants which have accepted in full the first such offer. Such reoffering shall be repeated until the Participant's Entitlement Share shall have been reallocated in full or until all nondefaulting Participants shall have declined to take any additional portion of such defaulting Participant's Entitlement Share.

In the event less than all of the defaulting Participant's Entitlement Share shall be accepted pursuant to subsection (a) of this Section 29 by the other Participants which are not in default, LEPA shall use its reasonable best efforts to sell the remaining portion of the defaulting Participant's Entitlement Share for the remaining term of the defaulting Participant's Power Sales Contract to any person, firm, association or corporation, public or private; provided, however, that LEPA shall make no such sales in such amounts, for such periods of time and under such terms and conditions as will cause the interest on the Bonds to become taxable by the Federal government. The agreement for such sale shall contain such terms and conditions as will not adversely affect the security for the Bonds afforded by this Power Sales Contract of the defaulting Participant, including provisions for discontinuance of service upon default, and as are otherwise acceptable to LEPA. In the event of default and discontinuance of service under such agreement, the Entitlement Share sold pursuant to such agreement shall be offered and transferred as provided for defaulting Participants in this Section 29.

In the event that less than all of the Participant's Entitlement Share upon default shall be accepted pursuant to subsection (a) of this Section 29 by the Participants which are not in default or sold pursuant to subsection (b) of this Section 29, LEPA shall transfer, on a pro rata basis (based on the respective original Entitlement Shares of each of the Participants), to all other Participants which are not in default, the remaining portion of such defaulting Participant's Entitlement Share, subject to the limitation specified in subsection (d) of this Section 29.

Any portion of the Entitlement Share of the defaulting Participant transferred pursuant to this Section 29 to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and the transferee Participant shall be obligated to pay for its Entitlement Share, increased as aforesaid, as if the Entitlement Share of the transferee Participant, increased as aforesaid, had been stated originally as the Entitlement Share of the transferee Participant in its Power Sales Contract; provided, however, that in no event shall any transfer of any part of a defaulting Participant's Entitlement Share pursuant to subsection (c) of this Section 29 result in a transferee Participant having an Entitlement Share

(including transfers to such transferee Participant pursuant to subsection (a) of this Section) in excess of 125% of its original Entitlement Share.

(e) In the event that less than all of a defaulting Participant's Entitlement Share shall be sold or transferred to non-defaulting Participants pursuant to this Section 29, LEPA shall use its reasonable best efforts to sell the remaining portion of a defaulting Participant's Entitlement Share or the energy associated therewith on such terms and conditions as are acceptable to LEPA to any person, firm, association or corporation, public or private; provided, however, that LEPA shall make no such sales in such amounts, for such periods of time and under such terms and conditions as will cause the interest on the Bonds to become taxable by the Federal government. A defaulting Participant shall remain liable under its Power Sales Contract in all events, except that the obligations of the defaulting Participant to pay LEPA shall be reduced to the extent that payments shall be received by LEPA for that portion of the defaulting Participant's Entitlement Share transferred or sold as provided in this Section 29.

SECTION Abandonment of Remedy. In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of LEPA and the Participant shall continue as though no such proceedings had been taken.

SECTION Waiver of Default. Any waiver at any time by either LEPA or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

SECTION Default by LEPA. In the event of any default by LEPA under any covenant, agreement or obligation of this Power Sales Contract, the Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate.

SECTION Excess Funds. Subject to the provisions of the Bond Resolution, in the event the proceeds derived from the sale of Bonds exceeds in the aggregate the amount of funds required for the purposes specified in this Power Sales Contract for the application thereof, the amount of such excess shall be used to retire, by purchase or redemption, Bonds in the manner permitted under the Bond Resolution.

SECTION Relationship to and Compliance with Other Instruments; Amendments to Bond Resolution. It is recognized by the parties hereto that LEPA, in undertaking or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Bond Resolution and all licenses, permits and regulatory approvals necessary therefor, and it is therefore agreed that this Power Sales Contract is made subject to the terms and provisions of the Bond Resolution and all such licenses, permits and regulatory approvals.

LEPA covenants and agrees to use its best efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants of the Bond Resolution, and all licenses, permits and regulatory approvals relating thereto.

The Participant covenants and agrees to use its best efforts for the benefit of LEPA and the other Participants to fully cooperate with LEPA so that LEPA is able to comply in all material respects with all terms, conditions and covenants of the Bond Resolution, and all licenses, permits and regulatory approvals relating thereto.

LEPA shall not, without the written consent of the Participant, amend, modify or otherwise change the Bond Resolution, if the amendment, modification or change would materially adversely affect the rights, obligations or interests of the Participant under this Power Sales Contract.

SECTION Approval of Bond Resolution. Prior to the issuance of the first series of Bonds, the governing body of each of the Participants shall approve the Bond Resolution (but excluding all amendments and supplements thereto adopted in accordance with the provisions thereof).

SECTION Measurement of Energy at Source. LEPA will install, maintain and operate the metering equipment, including area interchange metering and telemetering equipment, required to measure the quantities of energy produced and delivered from the Project. LEPA shall have the option of metering at a location other than the Project, in which event the measurements shall be appropriately adjusted for losses. At least once in each Contract Year, LEPA will make

or cause to be made such tests and inspections of the meters as may be necessary to maintain them in accordance with Prudent Utility Practice.

SECTION Liability of Parties. LEPA and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense-on account of any and all damages, claims or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; provided that any liability which is incurred by LEPA through the operation and maintenance of the Project and not covered, or not covered sufficiently, by insurance, shall be paid solely from the revenues of LEPA, and any payments made by LEPA to satisfy such liability shall become part of Monthly Power Costs.

No officer or director of LEPA, or officer or member of the governing, authority of the Participant, or person or persons acting in their behalf, while acting within the scope of their authority, shall be subject to any personal liability by reason of the carrying out of any of the provisions of this Power Sales Contract.

SECTION Assignment of Power Sales Contract; Sale of Participant's System. This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; provided, however, that, except as provided in the event of a default and except for the assignment by LEPA authorized hereby, neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except with the consent in writing of the other party hereto, which consent shall not be unreasonably withheld. No assignment or transfer of this Power Sales Contract shall relieve the parties of any obligation hereunder.

The Participant acknowledges and agrees that LEPA may assign and pledge to the trustee designated in the Bond Resolution all its right, title and interest in and to all payments to be made to LEPA under the provisions of this Power Sales Contract as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and, upon the effectiveness of such assignment and pledge, LEPA may grant to such trustee any rights and remedies herein provided to LEPA, and thereupon any reference herein to LEPA shall be deemed, with the necessary changes in detail, to include such trustee which shall be a third party beneficiary of the covenants and agreements of the Participant herein contained.

The Participant agrees that it will not sell, lease or otherwise dispose of all or substantially all of its Combined Utilities System except upon one hundred eighty (180) days prior written notice to LEPA and, in any event, will not sell, lease or otherwise dispose of the same unless the following conditions are met: (1) LEPA and the governing bodies of a majority in number of the other Participants shall by appropriate action determine that such sale, lease or other disposition will not adversely affect the value of this Power Sales Contract as security for the payment of Bonds and interest thereon or affect the eligibility of interest on Bonds for federal tax exempt status; (ii) the Participant shall assign this Power Sales Contract and its rights and interest hereunder to the purchaser or lessee or party to any other disposition of said Combined Utilities System, and such purchaser or lessee or party to any other disposition shall assume all obligations of the Participant under this Power Sales Contract; and LEPA shall by appropriate action determine, in its sole discretion, that such sale, lease, abandonment or other disposition will not adversely affect the Participant's ability to meet its obligations under this Power Sales Contract and will not adversely affect the value of this Power Sales Contract as security for the payment of Bonds and interest thereon or affect the eligibility of interest on Bonds then outstanding or which could be issued in the future for federal tax-exempt status.

SECTION Termination or Amendment of Contract. This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in Section 2 and this Section 39 of this Power Sales Contract.

This Power Sales Contract shall not be amended, modified or otherwise altered in any manner that will adversely affect the security for the Bonds and Subordinated Indebtedness afforded by the provisions of this Power Sales Contract upon which the owners from time to time of the Bonds and Subordinated Indebtedness shall have relied as an inducement to purchase and hold the Bonds and Subordinated Indebtedness, as applicable. So long as any of the Bonds and Subordinated Indebtedness are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Bond Resolution, this Power Sales Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds and Subordinated

Indebtedness or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds and Subordinated Indebtedness.

No Power Sales Contract entered into between LEPA and another Participant may be amended so as to provide terms and conditions different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contract of any other Participant requesting such amendment after receipt by such Participant of notice of such amendment.

To the extent that there is a change in law or provision in the MISO Tariff that renders one or more provisions impossible or impractical to perform, LEPA and the Participant agree to negotiate in good faith and amend such provisions to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered while attempting to preserve to the maximum extent possible the benefits, and obligations reflected in this Agreement.

**SECTION Opinions of Counsel.** Contemporaneously with the execution and delivery of this Power Sales Contract and as a condition to the effectiveness hereof, the Participant is causing to be delivered to LEPA an opinion of the city attorney or general counsel to the Participant to the effect that (i) the Participant is a political subdivision of the State of Louisiana and is fully authorized and empowered under the laws of the State of Louisiana to enter into the Power Sales Contract and to perform its obligations thereunder, (ii) no consent, order, waiver or any other action by any person, board or body, public or private, is required as of the date hereof for the Participant to enter into the Power Sales Contract and to perform its obligations thereunder, (iii) there is no action, suit or proceeding at law or in equity or by or before any court, administrative agency, governmental instrumentality or other agency pending or, to the best of such counsel's knowledge, threatened against or affecting the Participant or its Combined Utilities System which affects or seeks to prohibit, restrain or enjoin the Participant from entering into or complying with its obligations contained in the Power Sales Contract, including the payment obligations to LEPA contained therein, or in any way affects or questions the validity or enforceability of the Power Sales Contract, or in any way might materially adversely affect the Participant's ability to carry out the transactions contemplated by the Power Sales Contract, (iv) the Power Sales Contract has been duly and validly authorized, executed and delivered by the Participant and constitutes a legal, valid and binding obligation of the Participant enforceable against it in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to the rights and remedies of creditors, (v) the execution and delivery of the Power Sales Contract and compliance by the Participant with its terms will not conflict with or constitute on the part of the Participant a breach of or a default under any existing statute, law, governmental rule, regulation, decree, resolution, ordinance, charter or order, or any agreement, indenture, mortgage, lease or instrument to which the Participant is subject or by which it or its properties are or may be bound, and (vi) such other matters with respect to the Participant, its Combined Utilities System and this Power Sales Contract as LEPA may reasonably request in order to facilitate the sale and issuance of its Bonds and Subordinated Indebtedness, as applicable, on favorable terms.

Contemporaneously with the execution and delivery of this Power Sales Contract and as a condition to the effectiveness hereof, LEPA is causing to be delivered to the Participant an opinion of Patrick M. Wartelle of Leake & Andersson, L.L.P., of Lafayette, Louisiana, to the effect that (i) LEPA is a political subdivision of the State of Louisiana and is fully authorized and empowered under the laws of the State of Louisiana to enter into the Power Sales Contract and to perform its obligations thereunder, (ii) no consent, order, waiver or any other action by any person, board or body, public or private, is required as of the date hereof for LEPA to enter into the Power Sales Contract and to perform its obligations thereunder, (iii) there is no action, suit or proceeding at law or in equity or by or before any court, administrative agency, governmental instrumentality or other agency pending or, to the best of such counsel's knowledge, threatened against or affecting LEPA which affects or seeks to prohibit, restrain or enjoin LEPA from entering into or complying with its obligations contained in the Power Sales Contract, or in any way affects or questions the validity or enforceability of the Power Sales Contract, or in any way might materially adversely affect LEPA's ability to carry out the transactions contemplated by the Power Sales Contract, (iv) the Power Sales Contract has been duly and validly authorized, executed and delivered by LEPA and constitutes a legal, valid and binding obligation of LEPA enforceable against it in accordance with its terms, except that such enforceability may be limited by applicable bankruptcy, insolvency, reorganization and similar laws of general application relating to the rights and remedies of creditors, and (v) the execution and delivery of the Power Sales Contract and compliance by LEPA with its terms will not conflict with or constitute on the part of LEPA a breach of or a default under any existing statute, law,

governmental rule, regulation, decree, resolution, ordinance, charter or order, or any agreement, indenture, mortgage, lease or instrument to which LEPA is subject or by which it or its properties are or may be bound.

SECTION Notice and Computation of Time. Any notice or demand by the Participant to LEPA under this Power Sales Contract shall be deemed properly given if mailed postage prepaid and addressed to LEPA at its principal office. Any notice or demand by LEPA to the Participant under this Power Sales Contract shall be deemed properly given if mailed postage prepaid and addressed to the address of the Participant as set forth in **Exhibit C** hereto. In computing any period of time from such notice, such period shall commence at noon on the date mailed. The designations of the name and address to which any such notice or demand is directed may be changed at any time and from time to time by either party giving notice as above provided.

SECTION Applicable Law; Construction. This Power Sales Contract is made under and shall be governed by the law of the State of Louisiana. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION Severability. If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

*[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]*

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales Contract to be executed in multiple counterparts by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day and year first above written.

[SEAL]

LOUISIANA ENERGY AND POWER AUTHORITY

By: \_\_\_\_\_  
ATTEST: \_\_\_\_\_ Title: Chairman, Board of Directors

By: \_\_\_\_\_  
Title: General Manager

[SEAL]

CITY OF MORGAN CITY, STATE OF LOUISIANA

By: \_\_\_\_\_  
ATTEST: \_\_\_\_\_ Title:

By: \_\_\_\_\_  
Title:

\_\_\_\_\_  
Notary Public

Print Name: \_\_\_\_\_

Notary I.D./Bar No. (as applicable): \_\_\_\_\_

My commission expires: \_\_\_\_\_

**DESCRIPTION OF PROJECT**

LEPA Unit No. 1 is a Combined Cycle Combustion Turbine power generating facility having a design net electrical capability of approximately 64 megawatts, which is to be located in Morgan City, Louisiana.



**EXHIBIT B****SCHEDULE OF PARTICIPANTS**

This Schedule of Participants and the percentages of Entitlement Shares shown herein are subject to adjustment pursuant to Section 29 of the Power Sales Contract to which this Schedule is attached. In the event of any such adjustment, LEPA will prepare and submit to the Participants a revised Schedule of Participants reflecting such adjustment.

<u>Participant</u>	<u>% of Net Unit Rating</u>	<u>Estimated Maximum of 64 MW Nominal, 61.12 Net MW Unit*</u>
City of Morgan City	16.4%	10.0 MW
City of Houma	40.9%	25.0 MW
Town of Vidalia	10.3%	6.3 MW
Town of Jonesville	2.6%	1.6 MW
City of Rayne	12.9%	7.9 MW
City of Plaquemine	16.9%	10.3 MW

\* For illustrative purposes only. The amount will adjust periodically based on the number of Megawatts actually produced.

NAMES AND ADDRESSES OF PARTICIPANTS

**City of Morgan City**

Mayor Frank "Boo" Grizzaffi  
512 First Street  
Morgan City, Louisiana 70380  
[f.grizzaffi@cityofmc.com](mailto:f.grizzaffi@cityofmc.com)  
Phone: 985-385-1770

**City of Houma**

Parish President Michel Claudet  
8026 Main Street, 7<sup>th</sup> Floor  
Houma, Louisiana 70360  
[Mclaudet@tpcg.org](mailto:Mclaudet@tpcg.org)  
Phone: 985-873-6518

**City of Vidalia**

Mayor Hiram Copeland  
200 Vernon Stevens Blvd  
Vidalia, Louisiana 71373  
[hcopeland@cityofvidalia.com](mailto:hcopeland@cityofvidalia.com)  
Phone: 318-336-5206

**Town of Jonesville**

Mayor Hiram Evans  
404 Third Street  
Jonesville, Louisiana 71343  
[Hevansmayor@yahoo.com](mailto:Hevansmayor@yahoo.com)  
Phone: 318-339-8596

**City of Rayne**

Mayor Roland J. Boudreaux  
801 The Blvd.  
Rayne, Louisiana 70578  
[Raynemayor@rayne.org](mailto:Raynemayor@rayne.org)  
Phone: 337-334-3121

**City of Plaquemine**

Mayor Mark "Tony" Gulotta  
Plaquemine City Hall,  
23640 Railroad Avenue  
Plaquemine, Louisiana 70764  
[tgulotta@plaquemine.org](mailto:tgulotta@plaquemine.org)  
Phone: 225-687-3661

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512 First Street  
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[f.grizzaffi@cityofmc.com](mailto:f.grizzaffi@cityofmc.com)  
Phone: 985-385-1770

**City of Houma**

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Phone: 985-873-6518

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**Town of Jonesville**

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[Raynemayor@rayne.org](mailto:Raynemayor@rayne.org)  
Phone: 337-334-3121

**City of Plaquemine**

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Plaquemine, Louisiana 70764  
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Phone: 225-687-3661

## **POWER PROJECT REVENUE BOND (LEPA UNIT NO. 1)**

### **BOND RESOLUTION**

A general bond resolution of the Louisiana Energy and Power Authority ("LEPA") authorizing the incurring of debt and issuance from time to time of Power Project Revenue Bonds (LEPA Unit No.1); prescribing the form and providing for the rights of the holders of said Bonds; providing for the payment of said Bonds and the application of the proceeds thereof; and providing for other matters in connection therewith.

WHEREAS, Louisiana Energy and Power Authority ("LEPA") has heretofore been duly organized as a body politic and corporate of the State of Louisiana created pursuant to Chapter 10-A of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other statutory and constitutional provisions supplemental thereto (the "Act"), and is empowered by the Act (i) to acquire and construct facilities for the generation and transmission of electric power and energy, or to acquire an interest in any such facilities; (ii) to purchase, sell, transmit or otherwise use electric power and energy within or without the State of Louisiana; (iii) to issue its revenue bonds to pay all or part of the cost of acquiring facilities for the generation and transmission of electric power and energy; and (iv) to do all acts and things necessary to carry out the purposes and to exercise the powers granted to LEPA under the Act; and

WHEREAS, LEPA is acquiring, constructing and equipping an approximately 64 MW, nominal rated, combined cycle combustion turbine electric generating unit located in Morgan City, Louisiana, including the site therefor and related facilities owned, leased or used by LEPA in connection with the operation thereof, which unit shall be known as "LEPA Unit No. 1" (the "Project").

WHEREAS, it is recognized that LEPA entered into Power Sales Contracts (the "Power Sales Contracts") each dated as of June 1, 2013, with the Cities of Houma, Morgan City, Rayne and Plaquemine and the Towns of Jonesville and Vidalia (collectively, the "Participants"), pursuant to which Power Sales Contracts each of the Participants has agreed to purchase a portion of the power and energy from the Project, and which Power Sales Contracts provide that each Participant's payments to LEPA thereunder constitute an obligation of such Participant payable as an operating expense of the Participant's utilities system on a take-or-pay basis, and such payments shall be made whether or not the Project is then operable or is operating; and

WHEREAS, the Power Sales Contracts obligate each Participant to maintain sufficient rates for the commodities and services furnished by its utilities system to meet its obligations under such Power Sales Contracts and pay all other obligations payable from, or constituting a charge or lien on such revenues; and

WHEREAS, LEPA will take or cause to be taken all steps necessary for the acquisition, construction and equipping, including the necessary natural gas and transmission improvements and interconnections, of the Project for the supply of electric power and energy to the Participants, and will sell the power and energy of the Project pursuant to the Power Sales Contracts; and

WHEREAS, LEPA wishes to provide for the issuance from time to time of its revenue bonds payable from the Revenues of the Project, as defined herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Energy and Power Authority, acting as the governing authority of the Louisiana Energy and Power Authority, that:

### **ARTICLE I**

#### **DEFINITIONS AND INTERPRETATION**

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

"Accreted Values" means, as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond (the principal amount at its initial offering) plus the interest accrued on such Capital

Appreciation Bond from the date of delivery to the original purchasers thereof to the Compounding Date next preceding the date of computation or the date of computation if a Compounding Date, such interest to accrue at a rate not exceeding the maximum rate permitted by law, compounded periodically, plus, with respect to matters related to the payment upon redemption of the Capital Appreciation Bonds, if such date of computation shall not be a Compounding Date, a portion of the difference between the Accreted Value as of the immediately preceding Compounding Date and the Accreted Value as of the immediately succeeding Compounding Date, calculated based on the assumption that Accreted Value accrues during any period in equal daily amounts on the basis of a year of twelve 30-day months.

“Act” shall mean Chapter 10-A of Title 33 of the Louisiana Revised Statutes of 1950, as amended, and other statutory and constitutional provisions supplemental thereto.

“Additional Parity Obligations” means any additional pari passu obligations which may hereafter be issued pursuant to Section 9.2 or 9.3 hereof on a parity with the Bonds.

“Annual Budget” means the annual operating budget of the Project, as amended and supplemented from time to time, prepared by LEPA for each Fiscal Year.

“Bond Anticipation Notes” means any notes issued or other evidences of indebtedness incurred by LEPA in anticipation of and the repayment of which is secured by the issuance of other Obligations at some future date.

“Bond Counsel” means counsel experienced in matters relating to the validity of, and the exclusion from gross income for federal income tax purposes of interest on, obligations of states and their political subdivisions selected by LEPA.

“Bond” or “Bonds” means any or all of the Power Project Revenue Bonds (LEPA Unit No. 1) of LEPA, issued pursuant to this Resolution, 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.

“Bondholders,” “Registered Owner,” “Holder,” and “Owner” means the registered owners (or their authorized representatives) of Obligations issued in registered form and the holders of Obligations issued in bearer form.

“Bond Obligation” means, as of the date of computation, the sum of: (i) the principal amount of all Current Interest Bonds then Outstanding and (ii) the Accreted Value on all Capital Appreciation Bonds then Outstanding.

“Bond Service Requirement” means for a given Fiscal Year, the remainder after subtracting any accrued interest paid by the purchasers of Obligations, and capitalized interest for the Fiscal Year ending the immediately following January 1 that has been deposited into the Sinking Fund for that purpose from the sum of the principal of and interest and premium, if any, or other payments on Obligations coming due in such Fiscal Year.

For purpose of determining the Bond Service Requirement, unless the interest rate is fixed for the duration of the applicable Fiscal Year, in which case the actual interest rate shall be used, the interest rate on Variable Rate Obligations that are Outstanding at the time of such determination, shall be assumed to be one hundred ten percent (110%) of the SIFMA Municipal Swap Index on the date of calculation, and if the Obligations are Taxable Obligations shall be the interest rate on U.S. Treasury Obligation with comparable maturities, plus 50 basis points, on the date of calculation.

If a Series of Variable Rate Obligations is subject to purchase by LEPA pursuant to a mandatory or optional tender by the holder, the “tender” date or dates shall be ignored and the stated maturity dates thereof shall be used for purposes of this calculation.

For all purposes of this Resolution, if LEPA has entered into a Qualified Swap with respect to all or a portion of a Series of Obligations, interest on such Obligations shall be calculated at (i) the fixed rate or rates of the Qualified Swap if LEPA has entered into what is generally referred to as a “floating-to-fixed” Qualified Swap (where LEPA pays a fixed rate and receives a floating rate) or (ii) as provided in paragraph two above of this definition of “Bond Service Requirement,” if LEPA has entered into either what is generally referred to as a “fixed-to-floating” Qualified Swap (where LEPA pays a variable rate and receives a fixed rate) or a “floating-to-floating” Qualified Swap (where LEPA pays a variable rate and receives a different variable rate).

For purposes of calculating the Bond Service Requirement with respect to Commercial Paper Obligations, only the interest obligations with respect to such Commercial Paper Obligations and the principal amount of the Commercial Paper Obligations LEPA reasonably expects to retire and not to pay with the proceeds of roll-over Commercial Paper Obligations in such Fiscal Year (as reflected in the Annual Budget) shall be included in the calculation of the Bond Service Requirement. The interest rate on the Commercial Paper Obligations shall be assumed for purposes of calculating the Bond Service Requirement, to be equal to the greater of (i) 110% of the Bond Market Association Municipal Swap Index (or if such index is no longer available, such other reasonably comparable index as LEPA shall designate) or (ii) the actual rate on such Commercial Paper Obligations.

“Business Day” means, except as otherwise provided in a Supplemental Resolution, 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 Trustee are located are required or authorized to remain closed or on which the New York Stock Exchange is closed.

“Equity Fund” means the fund by that name established in Section 5.1 hereof.

“Capital Appreciation Bonds” means Obligations that bear interest which is payable only at maturity or upon redemption prior to maturity in amounts determined by reference to the Accreted Values.

“Code” means the Internal Revenue Code of 1986, as amended, or any successor Federal Internal Revenue Code.

“Commercial Paper Obligations” means any Obligation with a maturity of less than 271 days so designated by LEPA by Supplemental Resolution prior to issuance thereof.

“Compounding Date” means a date for compounding of interest on Capital Appreciation Bonds as shown on a table of Accreted Values for such Capital Appreciation Bonds.

“Contingency Fund” means the fund by that name created in Section 5.1 hereof.

“Consulting Engineer” means a consulting utility engineer or firm of consulting utility engineers with nationally recognized credentials demonstrating skill and experience in the construction and operation of publicly owned electric generation facilities similar to the Project.

“Costs of Acquisition and Construction” means the costs of (i) development, design, physical construction of or acquisition of real or personal property or interests therein for the Project, together with incidental costs (including legal, administrative, engineering, consulting and technical services, insurance and financing costs and other Costs of Issuance), working capital and reserves deemed necessary or desirable by LEPA (including but not limited to costs of supplies, fuel, fuel assemblies and components or interests therein, transmission interconnections and improvements, and natural gas pipeline extensions), and other costs properly attributable thereto; (ii) all capital improvements or additions, including but not limited to, renewals or replacements of or repairs, additions, improvements, modifications or betterments to or for the Project; (iii) the acquisition of any other real property, capital improvements or additions, or interests therein, deemed necessary or desirable by LEPA for the operation of the Project; (iv) any other cost included within the definition of the term “Costs of Acquisition and Construction” in the Power Sales Contracts, provided that such purposes must be with respect to the Project; provided, however, that the term “Costs of Acquisition and Construction” shall not include any costs of LEPA relating to a Separately Financed Project.

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

“Cost of Operation and Maintenance” means any operating and maintenance expense as defined in accordance with generally accepted accounting principles in the United States of America and which are incurred by LEPA in the operation of the Project in accordance with



Generally Accepted Utility Practices. Notwithstanding the foregoing, Costs of Operation and Maintenance (a) shall not include (i) any costs and expenses attributable to a Separately Financed Project, (ii) any costs or expenses for new construction or for reconstruction other than restoration of any part of the Project to the condition of serviceability thereof when new, (iii) depreciation costs or (iv) any interest expense on any Obligation; and (b) shall include the costs of any fuel purchases, purchases of power, or transmission, pipeline or other costs required to provide electricity to the Participants pursuant to the Power Sales Contract.

“Credit Facility” means a line of credit, letter of credit, standby bond purchase agreement, policy of bond insurance, surety bond, guaranty or similar credit or liquidity enhancement device or arrangement providing credit or liquidity support with respect to any Outstanding Obligations or Subordinated Indebtedness, or any agreement relating to reimbursement of advances under any such instrument.

“Current Interest Bonds” means Obligations that bear interest which is payable periodically rather than solely at the maturity of such Obligations.

“Decommissioning Fund” means the fund by that name created in Section 5.3 hereof.

“Defeasance Securities” means (i) Government Securities, (ii) stripped interest obligations on bonds, notes, debentures and similar obligations issued by the Resolution Funding Corporation, (iii) local government obligations rated AAA by a Rating Agency (iv) local government obligations defeased by securities described in clauses (i), (ii), (iii), (v), (vi) and (vii) hereof, (v) guaranteed investment contracts rated AAA by a Rating Agency, (vi) in the event any Bonds are secured by a Credit Facility, any securities approved by such Credit Facility provider, and (vii) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of the investment by the United States Postal Service, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Student Loan Marketing Association, the Federal Farm Credit System, or any other United States government sponsored agency; provided that (a) at the time of the investment such agency or its obligations are rated and the agency receives, or its obligations receive, ratings in the highest Rating Category of each of the Rating Agencies that then rates such agency or its obligations; and (b) such securities will be sufficient to legally defease obligations pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, if deposited in the proper amount.

“Designated Maturity Obligations” means all of the Obligations of a Series or a particular maturity thereof, with a maturity longer than 270 days, so designated by LEPA by Supplemental Resolution prior to the issuance thereof, for which no mandatory sinking fund redemption requirements have been established.

“EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Marketplace Access system, or any successor thereto.

“Executive Officer” means any of the Chairman or Secretary-Treasurer of the Governing Authority or the General Manager of LEPA, and shall include the successor of any of these as may be designated by Supplemental Resolution.

“Fiduciary” or “Fiduciaries” means the Trustee or any paying agent, or any or all of them, as may be appropriate.

“Fiscal Year” means the one-year period commencing on January 1 and ending on December 31 of each year, or such other one-year period as may be designated by the Governing Authority as the fiscal year of LEPA.

“Funds” means the various funds established pursuant to Article V hereof.

“Generally Accepted Utility Practice” means, at a particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior to the time of the reference, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Generally Accepted Utility Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts. Generally Accepted Utility Practice shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, or facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project.

“Governing Authority” means the Board of Directors of LEPA or any successor thereto.

“Government Securities” means 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” means June 1 and December 1 of each year, except as otherwise provided in any Supplemental Resolution.

“Investment Obligations” means any investments or securities then permitted under Louisiana law.

“LEPA” means the Louisiana Energy and Power Authority, a political subdivision and body politic and corporate of the State, or its successors or assigns.

“Net Revenues” means, for any period, the amount of Revenues less the Cost of Operation and Maintenance of the Project.

“Obligations” means any obligations, issued in any form of debt, authorized by a Supplemental Resolution, including but not limited to Bonds, Additional Parity Obligations, Bond Anticipation Notes, notes, and any other evidences of indebtedness which are delivered under this Resolution, but such term shall not include any Subordinated Contract Obligation or Subordinated Indebtedness.

“Operating Fund” means the fund by that name established in Section 5.1 hereof.

“Outstanding”, when used with reference to the Obligations, means, as of any date, all Obligations theretofore issued under the Resolution, except:

(a) Obligations theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Obligations for the payment or redemption of which sufficient cash and/or Defeasance Securities have been deposited with the Trustee or an escrow agent in trust for the Owners of such Obligations with the effect specified in the Resolution, provided that if such Obligations are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to the Resolution, to the satisfaction of the Trustee, or waived;

(c) Obligations in exchange for or *in lieu* of which other Obligations have been registered and delivered pursuant to the Resolution; and

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

“Parity Contract Obligation” means that portion of any rates, fees, charges or payments which LEPA is contractually obligated to pay to another entity for fuel, energy, power or other improvements associated with the Project, for the specific purpose of paying principal or interest or both on that entity’s obligations directly associated with such contract and payable to such entity regardless of whether fuel, energy or power is delivered or made available for delivery which is secured by a pledge of and lien on the Net Revenues on a parity with the lien created by Section 4.2 hereof to secure the Obligations.

“Parity Debt” means any Parity Contract Obligation, Parity Reimbursement Obligation or Parity Swap Obligation. For purposes of Section 9.2 and 9.3 of this Resolution, any Parity Debt shall specify, to the extent applicable, the interest and principal components of, or the scheduled payments corresponding to interest under, such Parity Debt.

“Parity Reimbursement Obligation” has the meaning provided in Section 9.6(d) hereof.

“Parity Swap Obligation” means the obligation to pay any amount under a Qualified Swap calculated as interest on a notional amount (but excluding any termination payments and payments of any other fees, expenses, indemnification or other obligations to a counterparty), that is secured by a pledge of, and a lien on, the Net Revenues on a parity with the lien created by Section 4.2 to secure the Obligations.

“Participants” means, collectively, the Cities of Houma, Morgan City, Rayne and Plaquemine and the Towns of Jonesville and Vidalia.

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

“Power Sales Contracts” means the several Power Sales Contracts each dated as of June 1, 2013, and each by and between LEPA and a Participant, respectively, the form of which is attached hereto as Exhibit A and hereby confirmed and approved, and under which Power Sales Contracts the Participants have agreed to purchase the power and energy from the Project, and which Power Sales Contracts provide that each Participant’s payments to LEPA thereunder constitute an obligation of such Participant payable as an operating expense of the Participant’s utilities system, and such payments shall be made on a take or pay basis whether or not the Project is operating.

“Principal Payment Date” means June 1 of each year.

“Project” means an approximately 64 MW, nominal, combined cycle combustion turbine electric generating unit located in Morgan City, Louisiana, including the site therefor and related facilities owned, leased or used by LEPA in connection with the operation thereof, which unit initially shall be known as “LEPA Unit No. 1.”

“Purchase Price” means, with respect to any Obligation, 100% of the principal amount thereof plus accrued interest, if any, plus in the case of an Obligation subject to mandatory tender for purchase on a date when such Obligation is also subject to optional redemption at a premium, an amount equal to the premium that would be payable on such Obligation if redeemed on such date.

“Qualified Swap” means, to the extent from time to time permitted by law, with respect to Obligations, any financial arrangement (i) which is entered into by LEPA with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (ii) which is a cap, floor or collar; an interest rate, forward rate or future rate swap (such swap may be based on an amount equal either to the principal amount of such Obligations of LEPA as may be designated or a notional principal amount relating to all or a portion of the principal amount of such Obligations); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto, entered into by LEPA for the purpose of moderating interest rate fluctuations or otherwise, and (iii) which has been designated in writing by LEPA as a Qualified Swap with respect to such Obligations.

“Qualified Swap Provider” means an entity whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims-paying ability, or whose payment obligations under an interest rate exchange agreement are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims-paying ability, are rated at the time of the execution of the applicable Qualified Swap either (i) at least as high as the third highest Rating Category of each nationally recognized securities Rating Agency then maintaining a rating for the Qualified Swap Provider, but in no event lower than any Rating Category designated by each such Rating Agency for the Obligations subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such Rating Agency indicates in writing to LEPA will not, by itself, result in a reduction or withdrawal of its rating on the Outstanding Obligations subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

“Rating Agency” means each nationally recognized securities rating agency, currently Moody’s Investors Service, Inc., Standard & Poor’s Public Finance Ratings, and Fitch Ratings.

“Rating Category” means one of the generic rating categories of any Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

“Rebate Amount” shall have the meaning given such term in Section 12.3 herein.

“Receipts Fund” means the Fund by that name established in Section 5.1 hereof.

“Record Date” means, except as otherwise provided in a Supplemental Resolution, 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” means, when used with respect to an Obligation, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Resolution.

“Reimbursement Obligation” has the meaning provided in Section 9.6(d) hereof.

“Reserve Account” means any account in the Reserve Fund established pursuant to a Supplemental Resolution to secure a Series of Reserve Secured Obligations.

“Reserve Fund” means the Fund by that name established in Section 5.1 hereof.

“Reserve Product” means a policy of bond insurance, a surety bond or a letter of credit or other credit facility used in lieu of a cash deposit in any Reserve Account.

“Reserve Product Provider” means a bond insurance provider or a bank or other financial institution providing a Reserve Product, whose bond insurance policies insuring, or whose letters of credit, surety bonds or other Credit Facilities securing, the payment, when due, of the principal of, premium, if any, and interest on bond issues by public entities, at the time such Reserve Product is obtained, result in such issues being rated in one of the two highest full rating categories by each of the Rating Agencies; provided, however, that nothing herein shall require LEPA to obtain a rating on any Obligations issued under this Resolution.

“Reserve Requirement” means, with respect to any Series of Obligations, the amount, if any, set forth as the Reserve Requirement in the Supplemental Resolution authorizing such Series of Obligations.

“Reserve Secured Obligations” means a Series of Obligations for which the Supplemental Resolution related to such Series provide that the payment of the principal, premium, if any, and interest on the bonds of such Series shall be secured by amounts on deposit and investments held in a designated account in the Reserve Fund.

“Resolution” means this Resolution as from time to time amended or supplemented by Supplemental Resolution.

“Revenues” means (a) all revenues, income, rents and receipts derived or to be derived by LEPA from or attributable or relating to the ownership and operation of the Project, including all revenues attributable or relating to the Project or to the payment of the costs thereof received or to be received by LEPA under the Power Sales Contracts, or otherwise payable to it for the sale of the output, capacity or service of the Project or any part thereof or otherwise with respect to the Project, (b) the proceeds of any insurance covering business interruption loss, if any, relating to the Project derived or to be derived by LEPA and (c) interest received or to be received on any money or securities (other than in the Project Fund) held pursuant to the Resolution and required to be paid into the Receipts Fund.

“Separately Financed Project” means any capital improvement other than the Project, the financing for which is secured by or payable out of funds other than the Revenues or Net Revenues.

“Series” means any portion of the Obligations of an issue authenticated and delivered in a single transaction, payable from an identical source of revenue and identified pursuant to a Supplemental Resolution authorizing such Obligations as a separate Series of Obligations, regardless of variations in maturity, interest rate, redemption requirements or other provisions, and any Obligations thereafter authenticated and delivered in lieu of or in substitution of a Series of Obligations issued pursuant to this Resolution.

“SIFMA Municipal Swap Index” means SIFMA Municipal Swap Index as of the most recent date for which such index was published, or such other weekly, high-grade index comprised of seven-day, tax-exempt variable rate demand notes produced by the Securities Industry and Financial Markets Association (SIFMA) or any successor thereto; provided, however, that, if such index is no longer produced by SIFMA or its successor, then “SIFMA Municipal SWAP Index” shall mean such other reasonably comparable index selected by LEPA.

“Sinking Fund” means the fund by that name created established in Section 5.1 hereof.

“State” means the State of Louisiana.

“Subordinated Contract Obligation” means any payment obligation (other than a payment obligation constituting Parity Debt or Subordinated Indebtedness) arising under (a) any Credit Facility which has been designated in writing by LEPA as constituting a “Subordinated Contract Obligation,” (b) any Qualified Swap which has been designated in writing by LEPA

as constituting a "Subordinated Contract Obligation," and (c) any other contract, agreement or other obligation authorized by ordinance or resolution of LEPA and designated in writing by LEPA as constituting a "Subordinated Contract Obligation." Each Subordinated Contract Obligation shall be payable from the Net Revenues subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, and shall be secured by a lien on and pledge of the Net Revenues junior and inferior to the lien on and pledge of the Net Revenues herein created for the payment of the Obligations and Parity Debt.

"Subordinated Indebtedness" means any bond, note or other indebtedness authorized by ordinance or resolution of LEPA and designated in such ordinance or resolution by LEPA as constituting "Subordinated Indebtedness," which shall be payable from the Net Revenues subject and subordinate to the payments to be made with respect to the Obligations and Parity Debt, and which shall be secured by a lien on and pledge of the Net Revenues junior and inferior to the lien on and pledge of the Net Revenues herein created for the payment of the Obligations and Parity Debt.

"Supplemental Resolution" means any ordinance or resolution supplemental to or amendatory of this Resolution, enacted or adopted by LEPA in accordance with Article III hereof.

"Taxable Obligations" means any Obligations which are not Tax-Exempt Obligations.

"Tax-Exempt Obligations" means any Obligations the interest on which is intended by LEPA to be generally excluded from gross income for federal income tax purposes.

"Trustee" means Whitney Bank or any other financial institution designated in a Supplemental Resolution to (a) serve as a Trustee or place of payment for the Obligations issued hereunder which shall have agreed to arrange for the timely payment of the principal of, interest on and redemption premium, if any, with respect to the Obligations to the registered owners thereof, from funds made available therefor by LEPA, and any successors designated pursuant to this Resolution and (b) maintain the registration books for the Obligations of any Series issued hereunder or to perform other duties with respect to registering the transfer of Obligations, and "Trustee" shall include (x) any Co-Trustee or Successor Trustee appointed in accordance with the provisions of this Resolution and (y) any paying agent other than the Trustee appointed for any Series of Obligations in a Supplemental Resolution.

"Variable Rate Obligations" means Obligations issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the remaining term thereof.

SECTION 1.2. Interpretation. In the Resolution, 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 Resolution shall be deemed to include any other title by which such offices shall be known.

## **ARTICLE II**

### **INSTRUMENT TO CONSTITUTE CONTRACT**

SECTION 2.1 Instrument to Constitute Contract. In consideration of the Obligations authorized to be issued hereunder by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between LEPA and the Bondholders. The covenants and agreements herein set forth to be performed by LEPA shall be for the equal benefit, protection and security of the Bondholders, and all Obligations shall be of equal rank and without preference, priority or distinction over any other thereof, except as expressly provided herein.

## **ARTICLE III**

### **AUTHORIZATION, DESCRIPTION, FORM AND TERMS OF OBLIGATIONS**

SECTION 3.1 Description of Obligations. Obligations may be issued from time to time in accordance with the terms of this Resolution. The Obligations authorized hereunder may be issued in one or more Series that may be delivered from time to time. The Obligations may be issued as Tax-Exempt Obligations, as Taxable Obligations, as obligations that convert from Taxable Obligations to Tax-Exempt Obligations, as fixed rate Obligations, as Variable Rate Obligations, as Capital Appreciation Bonds, as Current Interest Bonds, as Designated

Maturity Obligations and/or as Commercial Paper Obligations. LEPA shall by Supplemental Resolution authorize each Series of Obligations and shall specify the following:

- (a) the authorized principal amount of such Series, the purpose or purposes for which such Obligations are issued;
- (b) the date and terms of maturity or maturities of the Obligations;
- (c) whether such Obligations are Designated Maturity Obligations or Commercial Paper Obligations;
- (d) the interest rate or rates of the Obligations or the method for determining such interest rate or rates, which may include variable, adjustable, convertible, auction reset or other rates, original issue discounts, Capital Appreciation Bonds and zero interest rate Obligations;
- (e) the authorized denominations (or, with respect to Capital Appreciation Bonds, the value at maturity) of each Series of Obligations;
- (f) numbering and lettering of such Obligations;
- (g) the Trustee and place or places of payment of such Obligations;
- (h) the redemption prices for such Obligations and any terms of redemption not inconsistent with the provisions of this Resolution, which may include mandatory redemptions which may or may not be at the election of the Holder or Registered Owner thereof;
- (i) any terms permitting or requiring the tender of such Obligations by the Owner thereof for purchase;
- (j) the use of the proceeds of such Series of Obligations not inconsistent with this Resolution;
- (k) the forms of such Obligations; and
- (l) any other terms or provisions applicable to the Obligations of such Series, not inconsistent with the provisions of this Resolution or the Act.

All of the foregoing may be added by Supplemental Resolution adopted or enacted at any time and from time to time prior to the issuance of such Series of Obligations.

Except as otherwise provided by Supplemental Resolution, all Obligations hereunder shall be in registered form. All Obligations issued hereunder shall be in substantially the form provided by the Supplemental Resolution authorizing the issuance of such Obligations; shall, unless otherwise provided by Supplemental Resolution, be payable in lawful money of the United States of America and shall bear interest from their date paid by check or draft of the Trustee mailed to the Registered Owner thereof. Principal of and interest and redemption premiums, if any, on Capital Appreciation Bonds, and principal of and redemption premiums, if any, on Current Interest Bonds shall be payable by check or draft at maturity or earlier redemption thereof upon presentation and surrender of such Obligations to the Trustee. In addition, notwithstanding the foregoing, if and to the extent permitted by applicable law, LEPA shall establish a system of registration and may issue thereunder certificated registered public obligations (represented by instruments) or uncertificated registered public obligations (not represented by instruments) commonly known as book-entry obligations, combinations thereof, or such other obligations as may then be permitted by law. LEPA shall appoint such registrars, transfer agents, depositories, or other agents as may be necessary to cause the registration, registration of transfer and reissuance of the Obligations within a commercially reasonable time according to the then current industry standards and to cause the timely payment of interest, principal and premiums payable with respect to the Obligations. If LEPA adopts a system for the issuance of uncertificated registered public obligations, it may permit thereunder the conversion, at the option of a Holder of any Obligation then Outstanding, of a certificated registered public obligation to an uncertificated registered public obligation, and the reconversion of the same.

Unless a book-entry system of registration is established pursuant to a Supplemental Resolution, the registration of the Obligations issued in registered form may be transferred upon the registration books therefor upon delivery to the Trustee, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Registered Owner of such Obligations or by his attorney-

in-fact or legal representative, containing written instructions as to the details of transfer of such Obligations, along with the social security number or federal employer identification number of such transferee. In all cases of a transfer of registered Obligations, the Trustee shall at the earliest practical time in accordance with the provisions of this Resolution enter the transfer of ownership in the registration books for the Obligations and (unless uncertificated registration shall be requested and LEPA has a registration system that will accommodate uncertificated registration) shall deliver in the name of the new transferee or transferees a new fully-registered Obligation or Obligations of the same Series, maturity and of authorized denomination or denominations for the same aggregate principal amount and payable from the same sources of funds. The Trustee or LEPA may charge the Registered Owners of such Obligations for the registration of every such transfer of such Obligations an amount sufficient to reimburse it for any tax, fee or any other governmental charge required to be paid, except for any such governmental charge imposed by LEPA, with respect to the registration of such transfer, and may require that such amounts be paid before any such new Obligations shall be delivered.

Except as otherwise provided in the Supplemental Resolution, if any date for payment of the principal of, premium, if any, or interest on any Obligation is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such day shall have the same force and effect as if made on the nominal date of payment.

With respect to any Series of Obligations, LEPA may, by Supplemental Resolution enacted or adopted prior to the issuance of such Series of Obligations, reserve or exercise the right to sell, assign or transfer rights to call Obligations of such Series for mandatory purchase.

Unless otherwise provided by Supplemental Resolution adopted prior to the issuance of the applicable Series of Obligations, a purchase of Obligations by or through a remarketing agent, trustee, auction agent, credit facility provider or LEPA pursuant to an optional or mandatory tender shall, without affirmative action on the part of LEPA, not be deemed a redemption of such Obligations and will not be deemed to extinguish or discharge the indebtedness evidenced by such Obligations. Any Obligations purchased by or on behalf of LEPA pursuant to an optional or mandatory tender shall be purchased with the intent that the indebtedness evidenced by such Obligations shall not be extinguished or discharged; such indebtedness shall not be extinguished or discharged and such Obligations shall remain Outstanding hereunder unless and until such Obligations are delivered to the Trustee or any paying agent therefor for cancellation.

SECTION 3.2. Execution of Obligations. Unless otherwise provided by Supplemental Resolution, the Obligations shall be executed in the name of LEPA as provided in this Resolution and the seal of LEPA shall be imprinted, reproduced or lithographed on the Obligations. There may be such additional signatures and attestations as may be determined by LEPA. The signatures of the officers of LEPA on the Obligations may be by facsimile, but one such officer shall sign his manual signature on the Obligations unless LEPA appoints an authenticating agent, registrar, transfer agent or trustee who shall cause one of its duly authorized officers to manually execute the Obligations. If any officer whose signature appears on the Obligations ceases to hold office before the delivery of the Obligations, his signature shall nevertheless be valid and sufficient for all purposes. In addition, any Obligation may bear the signature of, or may be signed by, such persons as at the actual time of execution of such Obligation shall be the proper officers to sign such Obligation although at the date of such Obligation or the date of delivery thereof such persons may not have been such officers.

SECTION 3.3. Obligations Mutilated, Destroyed, Stolen or Lost. In case any Obligation shall become mutilated or be destroyed, stolen or lost, LEPA shall execute, and thereupon the Trustee shall authenticate and deliver, a new Obligation of like Series, maturity and principal amount as the Obligation so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Obligation, upon surrender and cancellation of such mutilated Obligation or in lieu of and substitution for the Obligation destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to LEPA and the Trustee that such Obligation has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing LEPA and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as LEPA and the Trustee may prescribe and paying such expenses as LEPA and the Trustee may incur. All Obligations so surrendered to the Trustee shall be promptly cancelled by it. Any such new Obligations issued pursuant to this Section in substitution for Obligations alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of LEPA, whether or not the Obligation so alleged to be destroyed, stolen or lost be at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Obligations

issued under the Resolution, in any moneys or securities held by LEPA or the Trustee for the benefit of the Holders.

**SECTION 3.4. Provisions for Redemption.** Each Series of Obligations may be subject to redemption prior to maturity at such times and in such manner as may be established by Supplemental Resolution of LEPA adopted with respect to any Series of Obligations on or before the time of delivery of those Obligations. Unless otherwise provided by Supplemental Resolution with respect to a Series of Obligations, notice of redemption shall be sent at least thirty (30) days prior to the redemption date (i) be filed with the Trustee, and (ii) be mailed, postage prepaid, to all Registered Owners of Bonds to be redeemed at their address as they appear of record on the books of the Trustee as of forty-five (45) days prior to the date fixed for redemption, unless otherwise provided by Supplemental Resolution. Interest shall cease to accrue on any Bond duly called for prior redemption on the redemption date, if payment thereof has been duly provided. The privilege of transfer or exchange of any of the Bonds so called for redemption is suspended for a period commencing 15 calendar days preceding the mailing of the notice of redemption and ending on the date fixed for redemption. Failure to mail any such notice to a registered owner of an Obligation, or any defect therein, shall not affect the validity of the proceedings for redemption of any Obligation or portion thereof with respect to which no failure or defect occurred.

**SECTION 3.5. Effect of Notice of Redemption.** Notice having been given in the manner and under the conditions hereinabove required, the Obligations or portions of Obligations so called for redemption shall, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Obligations or portions of Obligations on such date. On the date so designated for redemption, moneys for payment of the redemption price being held in separate accounts by the Trustee or an escrow agent in trust for the registered owners of the Obligations or portions thereof to be redeemed, all as provided in this Resolution, interest on the Obligations or portions of Obligations so called for redemption shall cease to accrue, such Obligations and portions of Obligations shall cease to be entitled to any lien, benefit or security under this Resolution, and the registered owners of such Obligations or portions of Obligations shall have no right in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in Section 3.1 of this Article, to receive Obligations for any unredeemed portions of the Obligations. Notwithstanding anything to the contrary in the Resolution, with respect to any notice of optional redemption of Obligations, unless upon the giving of such notice such Obligations or portions thereof shall be deemed to have been paid within the meaning hereof, such notice shall state that such redemption shall be conditioned upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Obligations or portions thereof to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and LEPA shall not be required to redeem such Obligations or portions thereof. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within five (5) days thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

**SECTION 3.6. Redemption of Portion of Registered Obligations.** In case part but not all of an Outstanding fully-registered Obligation shall be selected for redemption, the Registered Owners thereof shall present and surrender such Obligation to its designated Trustee (or if no such Trustee is designated, to LEPA) for payment of the principal amount thereof and premium, if any, so called for redemption, and LEPA shall execute and deliver to or upon the order of such Registered Owner, without charge therefor, for the unredeemed balance of the principal amount of the Obligation so surrendered, an Obligation or Obligations fully-registered as to principal and interest.

**SECTION 3.7. Application of Proceeds.** Except as otherwise provided hereby, the proceeds, including accrued interest and premium, if any, received from the sale of the Obligations of any Series shall be applied by LEPA simultaneously with the delivery of such Obligations in accordance with the provisions of a Supplemental Resolution of LEPA enacted or adopted at or before the delivery of such Series of Obligations, in conformity with this Resolution.

**SECTION 3.8. Temporary Obligations.** Pending the preparation of definitive Obligations, LEPA may execute and deliver temporary Obligations. Temporary Obligations shall be issuable as registered Obligations without coupons, of any authorized denomination, and substantially in the form of the definitive Obligations but with such omissions, insertions, and variations as may be appropriate for temporary Obligations, all as may be determined by LEPA. Temporary Obligations may contain such reference to any provisions of this Resolution as may be appropriate. Every temporary Obligation shall be executed and authenticated upon the same conditions and in substantially the same manner, and with like



effect, as the definitive Obligations. As promptly as practicable LEPA shall execute and shall furnish definitive Obligations and thereupon temporary Obligations may be surrendered in exchange for definitive Obligations without charge at the principal office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Obligations a like aggregate principal amount of definitive Obligations of authorized denominations. Until so exchanged, the temporary Obligations shall be entitled to the same benefits under this Resolution as definitive Obligations.

## ARTICLE IV

### SOURCE OF PAYMENT OF OBLIGATIONS; SPECIAL OBLIGATIONS OF THE ISSUER

SECTION 4.1. Obligations Not to be Indebtedness of LEPA. The Obligations shall not be or constitute general obligations or indebtedness of LEPA within the meaning of the Constitution of Louisiana, but shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues of the Project, in the manner and to the extent herein provided. No Bondholder shall ever have the right to compel the exercise of the ad valorem taxing power of LEPA or taxation in any form on any real or personal property to pay such Obligations or the interest thereon, nor shall any Bondholder be entitled to payment of such principal and interest from any other funds of LEPA other than Net Revenues in the manner and to the extent herein provided.

SECTION 4.2. Pledge of Net Revenues. The payment of the principal of, premium, if any, and interest on the Obligations shall be secured forthwith equally and ratably by an irrevocable lien on the Net Revenues, all in the manner and to the extent provided herein, prior and superior to all other liens or encumbrances on the Net Revenues, except as otherwise provided herein, and LEPA does hereby irrevocably pledge the Net Revenues to the payment of the principal of, premium, if any, and interest on the Obligations.

## ARTICLE V

### CREATION OF FUNDS AND ACCOUNTS

SECTION 5.1. Creation of Funds and Accounts. There are hereby created and established the "Receipts Fund," the "Operating Fund," the "Sinking Fund," the "Reserve Fund," "the Contingency Fund," the "Renewals and Replacements Fund" and the "Equity Fund," each to be maintained as set forth below. There may be created and established in the Operating Fund and the Equity Fund one or more separate accounts or subaccounts as determined by LEPA from time to time to be necessary or convenient. The Funds, including all accounts and subaccounts therein, shall constitute trust funds for the purposes herein provided and shall be used only as herein provided.

All accounts referenced in the Resolution means separate accounting, not necessarily separate bank accounts, unless the context indicates otherwise.

(a) Receipts Fund. Revenues (but specifically excluding proceeds from the issuance of Obligations) plus any other amounts which LEPA, in its sole discretion, may choose to transfer into the Receipts Fund shall be deposited daily as the same may be collected in a separate and special bank account known and designated as the "Receipts Fund".

(b) Operating Fund. Out of the Receipts Fund, there shall be transferred to or set aside in an "Operating Fund" to be held by LEPA, from time to time as needed during each Fiscal Year amounts sufficient to provide for the payment of Costs of Operation and Maintenance. On or before the last day of each month, the Trustee shall transfer to LEPA for deposit in the Operating Fund the budgeted Costs of Operation and Maintenance for the next calendar month plus any additional Costs of Operation and Maintenance as may be requested by LEPA, in its sole discretion, and delivered to the Trustee in writing not less than three (3) days prior to the scheduled transfer for such month.

(c) Sinking Fund. After meeting the requirements of 5.1(b) above, the moneys in the Receipts Fund shall be used for the maintenance with the Trustee of the "LEPA Unit No. 1 Bond Sinking Fund" (the "Sinking Fund") sufficient in amount to pay promptly and fully the principal of, premium, if any, and the interest on the Obligations herein authorized (specifically including any Additional Parity Obligations issued hereafter in the manner provided herein) as they severally become due and payable whether by maturity or mandatory call, by transferring from the Receipts Fund to the Sinking Fund on the twenty-fifth (25<sup>th</sup>) day of each month one-sixth (1/6<sup>th</sup>) of the interest due on the Outstanding Obligations on the next Interest Payment Date and one-twelfth (1/12<sup>th</sup>) of the principal falling

due on the Outstanding Obligations on the next Principal Payment Date, along with such other amounts as may be required on a pro rate basis to fully fund the Sinking Fund. Arrangements with the Trustee shall be made as will assure, to the amount of money in the Sinking Fund, prompt payment for principal and interest on the Obligations payable from the Sinking Fund. Appropriate amounts shall also be placed in the Sinking Fund to allow for the payment of the charges of the Trustee. For purposes of determining the amounts to be deposited in the Sinking Fund, LEPA shall exclude from the interest calculation any amounts to be paid as capitalized interest on any Obligations from any accounts in the Project Fund.

A Supplemental Resolution may provide for additional amounts to be deposited into the Sinking Fund.

(d) Reserve Fund. After meeting the requirements of 5.1(c) above, the moneys in the Receipts Fund shall be used for the maintenance with the Trustee of the Reserve Fund and shall next be used to satisfy the Reserve Requirements for Reserve Secured Bonds. The Reserve Fund will be segregated into one or more accounts that are created for various Series of Reserve Secured Obligations. Any issue of Reserve Secured Bonds may utilize an existing Reserve Fund account, provided in doing so, the Reserve Requirement of the prior issue is met and satisfied.

Except as set forth in a Supplemental Resolution, amounts on deposit in each account of the Reserve Fund may be used solely for the purpose of curing deficiencies in the Sinking Fund for the payment when due of the principal of, premium, if any, and interest on the Reserve Secured Bonds for which such account was created. If funds on deposit in each Reserve Fund account exceed the account Reserve Requirement for the applicable Reserve Secured Bonds, the excess cash shall be deposited into the Sinking Fund to the extent moneys from the Receipts Fund are unavailable to meet current Bond Service Requirements and otherwise to the Equity Fund, provided however that upon refunding of any Reserve Secured Bonds such excess may be applied to pay or redeem the Reserve Secured Bonds to be refunded.

If at any time LEPA is required to fund a Reserve Fund account, or to increase the amount required to be maintained in the Reserve Fund account pursuant to the preceding paragraph, the amount, or increase in the amount, as applicable, required to satisfy such Reserve Requirement may be funded in up to twelve substantially equal consecutive monthly deposits commencing not later than the month following the occurrence of deficiency.

Each Reserve Requirement, in whole or in part, may be funded with cash or Investment Obligations, or one or more Reserve Products, or a combination thereof. Any such Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for payment of the principal of or interest on the Obligations due on such date which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose, and shall name the Trustee as the beneficiary thereof. Each Reserve Product must be rated in the highest rating category by each Rating Agency. If a disbursement is made from a Reserve Product as provided above, LEPA shall be obligated to reinstate the maximum limits of such Reserve Product on or before the close of the month following such disbursement from the first Revenues available pursuant to this Section or to replace such Reserve Product by depositing into the Reserve Fund pursuant to such sections, funds in the maximum amount originally available under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements under such Reserve Product, or a combination thereof. For purposes of this Section, amounts necessary to satisfy such reimbursement obligations of LEPA to the Reserve Product Provider shall be deemed to be required deposits to the Reserve Fund, but shall be applied to satisfy the obligations to the Reserve Product Provider.

If the Reserve Requirement is funded in whole or in part with cash or Investment Obligations and no event of default shall have occurred and be continuing hereunder, LEPA may at any time in its discretion, substitute a Reserve Product meeting the requirements of this Resolution for the cash and Investment Obligations in the Reserve Fund and LEPA may then withdraw such cash and Investment Obligations from the Reserve Fund and deposit them to the credit of the Operating Fund so long as (i) the same does not adversely affect any rating by a Rating Agency then in effect with respect to the Obligations, or any Series thereof, and (ii) LEPA obtains an opinion of Bond Counsel to the effect that such actions will not, in and of themselves, adversely affect the exclusion from gross income of interest on the Obligations (if not Taxable Obligations) for federal income tax purposes.

Cash on deposit in any Reserve Fund account shall be used (or investments purchased with such cash shall be liquidated and the proceeds applied as required) prior to any drawing on

any Reserve Product in such account. If more than one Reserve Product is deposited in the Reserve Fund account, drawings thereunder shall be made on a pro rata basis, calculated by reference to the maximum amounts available thereunder.

Any Supplemental Resolution may require a greater Reserve Requirement or no Reserve Requirement for any issue or series of Obligations.

(e) Contingency Fund. After meeting the requirements of 5.1(d) above, the moneys in the Receipts Fund shall be used for the maintenance with the Trustee of the Contingency Fund. In addition to the proceeds of any Obligations required to be deposited in the Contingency Fund pursuant to a Supplemental Resolution, LEPA shall, in each Fiscal Year deposit an amount equal to \$240,000 in the Contingency Fund until there has been accumulated in the Contingency Fund a balance of \$1,500,000, whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit therein is reduced below the sum of \$1,500,000, in which event such payments shall be resumed and continue until said maximum of \$1,500,000 is again accumulated.

Amounts in the Contingency Fund shall be applied by the Trustee, upon the written request of LEPA signed by an Executive Officer, to the payment of Costs of Operation and Maintenance to the extent that amounts on deposit in the Operating Fund are insufficient and to the payment of the prevention or correction of any unusual loss of damage in connection with the Project. In addition, the money in the Contingency Fund may also be used to assist in the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due for the payment of which there is not sufficient money in the Sinking Fund and any applicable Reserve Account described in paragraphs (c) and (d) above.

(f) Renewal and Replacement Fund. After meeting the requirements of 5.1(e) above, the moneys in the Receipts Fund shall be used for the maintenance with LEPA of the Renewal and Replacement Fund. In addition to the proceeds of any Obligations required to be deposited in the Renewal and Replacement Fund pursuant to a Supplemental Resolution, LEPA shall in each Fiscal Year deposit an amount not less than 5% of the Bond Service Requirements for such Fiscal Year in the Renewal and Replacement Fund until there has been accumulated in the Renewal and Replacement Fund a balance of \$2,250,000, or such greater amount as may be established by LEPA, whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit therein is reduced below the required sum, in which event such payments shall be resumed and continue until the required sum is again accumulated.

Amounts in the Renewal and Replacement Fund shall be applied by LEPA to the payment of costs of major renewals, replacements, repairs additions, betterments and improvements with respect to the Project necessary to keep the same in good operating condition or to prevent a loss of Revenues therefrom or required by any governmental agency having jurisdiction over the Project or any part thereof. In addition, the money in the Renewal and Replacement Fund may also be used to assist in the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due for the payment of which there is not sufficient money in the Sinking Fund and any applicable Reserve Account described in paragraphs (c) and (d) above.

(g) Equity Fund. After meeting the requirements of 5.1(f) above, the moneys in the Receipts Fund shall be used for the maintenance with LEPA of the Equity Fund, which moneys in the Equity Fund shall be used for the following purposes in the following order:

(i) Amounts in the Equity Fund must be applied to the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt, on a parity basis, when due for the payment of which there is not sufficient money in the Sinking Fund and any applicable Reserve Account described in paragraphs (c) and (d) above.

(ii) The remaining moneys in the Equity Fund, subject to any limitations set forth in Section 7.10 of this Resolution or provided by any other provision of this Resolution or any Supplemental Resolution, may be used for (A) paying Costs of Acquisition and Construction, (B) the payment of Subordinated Indebtedness and Subordinated Contract Obligations, (C) the purchase of Outstanding Obligations, or (D) except upon the occurrence of an Event of Default, making any payment or investment for any lawful purpose, including distribution to LEPA for other uses consistent with the Act.

SECTION 5.2. Creation of Project Fund. There is hereby established the Project Fund to be maintained with the Trustee. The Project Fund shall consist of separate accounts for each Series of Obligations, each of which shall constitute trust funds for the purposes herein

provided, and shall be used solely for purposes of paying Costs of Acquisition and Construction and Costs of Issuance of such Series of Obligations. The amount to be deposited in each account of the Project Fund shall be established in or authorized by the Supplemental Resolution authorizing such Series of Obligations.

Except as set forth in the remainder of this Section, the Trustee shall make payments from any account of the Project Fund for Costs of Acquisition and Construction only in the amounts, at the time, in the manner and on the other terms and conditions set forth in this paragraph. Before any such payment shall be made, LEPA shall file with the Trustee its requisition therefore, signed by an Executive Officer, stating in respect of each payment to be made (a) the account within the Project Fund from which such payment is to be made, (b) the name and address of the person, firm or corporation to whom payment is due, (c) the amount to be paid, and (d) that the cost in the stated amount is a proper charge against the Project Fund which has not previously been paid. The Trustee shall deliver an electronic transfer or issue its check for each payment of Costs of Acquisition and Construction required by such requisition (unless some other method of payment is desirable and acceptable to the Trustee). Nothing herein shall prevent the Trustee from reimbursing LEPA for any Costs of Acquisition and Construction already paid if the requisition so states and LEPA shows proof of such payment if requested by the Trustee.

The Trustee shall advance any payment for each item of Costs of Issuance to the proper recipient (or as reimbursement to LEPA, if LEPA has already paid such Cost of Issuance) upon receipt of (i) an invoice for such item, and (ii) the direction, in writing, from any Executive Officer to make such payment.

If funds are deposited in any account in the Project Fund for the payment of capitalized interest pursuant to the Supplemental Resolution authorizing such Series of Obligations, the Trustee shall segregate such funds within the account and use such funds solely for the payment of principal of and premium, if any, and interest on such obligations in accordance with the applicable Supplemental Resolution.

In the event the proceeds deposited in any account of the Project Fund from the sale of a Series of Obligations exceeds in the aggregate the amount of funds required for the purposes specified in the Supplemental Resolution authorizing the issuance of such Series of Obligations, and the existence of such excess is certified to the Trustee in writing by an Executive Officer of LEPA, the amount of such excess shall first be deposited into the Contingency Fund or the Renewal and Replacement Fund, to the extent permitted by the Code in the opinion of Bond Counsel, and second to retire, by purchase or redemption, such Obligations in the manner permitted under this Resolution.

SECTION 5.3. Creation of Decommissioning Fund. There is hereby established the Decommissioning Fund to be maintained with the Trustee. The Decommissioning Fund shall be funded and maintained pursuant to Section 26 of the Power Sales Contracts. Notwithstanding the provisions of Section 5.1 hereof, funds shall be deposited into the Decommissioning Fund after making the required payments from the Receipts Fund into the Contingency Fund and before making any payments into the Renewal and Replacement Fund.

SECTION 5.4. Use of Funds to Pay Subordinated Indebtedness. If at any time the amounts on deposit in the Equity Fund are insufficient for the payment of Subordinated Indebtedness and Subordinated Contract Obligations, LEPA may withdraw funds from the Contingency Fund or the Renewal and Replacement Fund not otherwise needed for the payment of principal and Redemption Price of and interest on the Obligations and the payment of Parity Debt to make payments due on such Subordinated Indebtedness and Subordinated Contract Obligations.

## ARTICLE VI

### DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

SECTION 6.1. Deposits Constitute Trust Funds. All funds or other property which at any time may be owned or held in the possession of or deposited with LEPA in the funds and accounts created or maintained under the provisions of this Resolution shall be held in trust and applied only in accordance with the provisions of this Resolution.

All funds or other property which at any time may be owned or held in the possession of or deposited with LEPA pursuant to this Resolution shall be continuously secured, for the benefit of LEPA and the Bondholders, either (a) by lodging with the Trustee, as custodian,

collateral security consisting of obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America having a market value (exclusive of accrued interest) not less than the amount of such deposit, or (b) in such other manner as may then be required or permitted by applicable state or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust funds.

All moneys deposited with the Trustee shall be credited to the particular Fund or Account to which such moneys belong.

**SECTION 6.2. Investment of Moneys.** Moneys held for the credit of the Funds established hereunder shall be invested and reinvested in Investment Obligations by the Trustee in accordance with the direction, in writing, of an Executive Officer. Such investments or reinvestments shall mature or become available not later than the respective dates, as estimated by LEPA, that the moneys held for the credit of said Funds will be needed for the purposes of such Funds.

Obligations so purchased as an investment of moneys in any such Fund shall be deemed at all times to be a part of such Fund, and shall at all times, for the purposes of this Resolution, be valued at the amortized cost of such investments.

Except as otherwise expressly provided herein or as provided by subsequent resolution or ordinance, all income and profits derived from the investment of moneys in the Funds shall be deposited in the Receipts Fund and used for the purposes specified for the Receipts Fund, except that all income and profits derived from the investment of moneys in the Reserve Fund shall be retained therein until the Reserve Fund is fully funded and then shall be deposited in the Receipts Fund.

All such investments relating to Tax Exempt Obligations shall be made in compliance with covenants in Supplemental Resolutions relating to the Code.

## **ARTICLE VII**

### **GENERAL COVENANTS OF LEPA**

**SECTION 7.1. Construction and Operation of the Project.** LEPA hereby covenants to construct and operate the Project in a business-like manner in accordance with Generally Accepted Utilities Practice, and operate the Project in such manner in order to ensure the safe and reliable delivery of power and energy to the Participants in accordance with the terms of the Power Sales Contracts in order to generate Net Revenues to pay all amounts payable, including amounts due on Obligations, required by this Resolution. LEPA covenants to adequately operate, maintain and improve the Project and to employ the necessary staff and employees, as required by Generally Accepted Utilities Practice.

**SECTION 7.2. Maintenance of Project; Disposition.** LEPA will maintain the Project and all parts thereof in good condition and will operate the same in an efficient and economical manner, making such expenditures for such equipment, maintenance and repairs and for renewals and replacements thereof as may be proper for its operation and maintenance in accordance with Generally Accepted Utilities Practice, provided, however, that nothing herein shall be construed to prevent LEPA from ceasing to operate or maintain, or from leasing or disposing of any portion or component of the Project if, in the judgment of LEPA, (i) it is advisable to lease, dispose of, or not operate and maintain the same, and (ii) the lease, disposition or failure to maintain or operate such component or portion of the Project will not prevent LEPA from meeting the requirements of Sections 5.1, 7.7 and 12.3 hereof. Notwithstanding anything in the foregoing to the contrary, the sale-leaseback or lease-leaseback of any portion or component of the Project or any similar contractual arrangements the effect of which is that LEPA continues to retain the Revenues from such portion or component of the Project shall not constitute a lease or disposition thereof for purposes of this Section.

**SECTION 7.3. RESERVED.**

**SECTION 7.4. Further Assurances.** At any and all times LEPA shall, as far as it may be authorized by law, comply with any reasonable request of the Trustee to pass, make, do, execute, acknowledge and deliver all and every such transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the rights, Revenues and other moneys, securities and funds hereby pledged, or intended so to be, or which LEPA may be bound to pledge.

SECTION 7.5. Power to Issue Obligations. LEPA is duly authorized under all applicable laws to create and issue the Obligations and to adopt the Resolution and to pledge the Revenues and other moneys, securities and funds purposed to be pledged by the Resolution in the manner and to the extent provided in the Resolution.

SECTION 7.6. Operating Budget. Before the first day of each Fiscal Year the Governing Body shall prepare, approve and adopt in the manner prescribed by law, and may amend from time to time as provided by law, a detailed budget of the Revenues, Bond Service Requirement (including the anticipated amortization of Designated Maturity Obligations and Commercial Paper Obligations), Costs of Operation and Maintenance and costs of any repairs, renewals, replacements, additions, improvements, betterments and modifications to, the Project anticipated for the next succeeding Fiscal Year. Copies of its annual budgets and all authorizations for increases in the Cost of Operation and Maintenance shall be available for inspection at the offices of LEPA and shall be mailed to any Bondholder requesting the same.

SECTION 7.7. Rate Covenant.

(a) So long as any Obligations remain Outstanding, LEPA will fix, charge and collect, or cause to be fixed, charged and collected, subject to the Power Sales Contracts and other applicable requirements or restrictions imposed by law, such rates, rentals, fees and charges for the output, capacity, use or service of the Project as are expected to be sufficient in each Fiscal Year to produce Revenues, together with any amounts available to be transferred into the Receipts Fund from the Equity Fund in an amount, at least equal to the sum of (i) one hundred percent (100%) of the Costs of Operation and Maintenance for such Fiscal Year, (ii) one hundred ten percent (110%) of the Bond Service Requirement for such Fiscal Year, (iii) one hundred percent (100%) of the amounts payable with respect to Subordinated Indebtedness and Subordinated Contract Obligations in such Fiscal Year, (iv) one hundred percent (100%) of the amount required to maintain the Reserve Fund, Contingency Fund and Renewal and Replacement Fund in accordance with Section 5.1 hereof, and (v) one hundred percent (100%) of the amounts required to make any additional payments or deposits required hereunder to any Funds or Person. In addition to the foregoing, LEPA further agrees that it will fix, charge and collect, or cause to be fixed, charged and collected, subject to the Power Sales Contracts and other applicable requirements or restrictions imposed by law, such rates, rentals, fees and charges for the output, capacity, use or service of the Project as are expected to be sufficient in each Fiscal Year to produce Net Revenues at least equal to one hundred percent (100%) of the Bond Service Requirement for such Fiscal Year.

(b) Failure by LEPA to comply with the preceding paragraph of this Section in any Fiscal Year shall not constitute an event of default as described in Section 10.1 hereof so long as LEPA shall, no later than sixty (60) days after discovering such non-compliance and in all events no later than sixty (60) days of receipt by LEPA of audited financial statements delivered pursuant to Section 7.9 hereof which statements show such noncompliance, retain a Consulting Engineer for the purpose of reviewing the fees, rates, rents, charges and surcharges of the Project and shall implement the recommendations of such Consulting Engineer with respect to such fees, rates, rents, charges and surcharges filed by the Consulting Engineer with LEPA in a written report or certificate. LEPA shall provide notice of its failure to comply with the preceding paragraph of this Section to EMMA no later than thirty (30) days after engaging the services of a Consulting Engineer pursuant to the requirements of the preceding sentence and shall provide a copy of the report or certificate of the Consulting Engineer to any Owner who shall request the same in writing. Furthermore, LEPA shall provide a copy of the report or certificate of the Consulting Engineer to the Rating Agencies within thirty (30) days after receipt of same.

SECTION 7.8. Books and Records. LEPA shall keep separately identifiable financial books, records, accounts and data concerning the operation of the Project and the receipt and disbursement of Revenues, and any Bondholder shall have the right at all reasonable times to inspect the same.

SECTION 7.9. Reports and Annual Audits. LEPA shall require that an annual audit of the accounts and records with respect to the Project be completed as soon as reasonably practicable after the end of each Fiscal Year by a qualified independent certified public accountant. Such audit shall be conducted in accordance with the laws of the State and generally accepted auditing standards as applied to governments and shall include a statement by such auditors that no default on the part of LEPA of any covenant or obligation hereunder has been disclosed by reason of such audit, or, alternatively, specifying in reasonable detail the nature of such default.

SECTION 7.10. Insurance and Condemnation Awards. LEPA will carry adequate fire, windstorm, explosion and other hazard insurance on the components of the Project that are subject to loss through fire, windstorm, hurricane, cyclone, explosion or other hazards; adequate public liability insurance and will carry other insurance with respect to the Project of the kinds and amounts normally carried in accordance with Generally Accepted Utilities Practice to the extent such insurance is available at reasonable cost. LEPA may, upon appropriate authorization by its Governing Body, self-insure against such risks on a sound actuarial basis. Any such insurance shall be carried for the benefit of LEPA and, to the extent herein provided, the Bondholders. All proceeds received from property damage or destruction insurance and all proceeds received from the condemnation of the Project or any part thereof are hereby pledged by LEPA as security for the Obligations, and thereafter shall be deposited at the option of LEPA but subject to the limitations hereinafter described either (a) into the Equity Fund, in which case, such proceeds shall be held in the Equity Fund and used to remedy the loss, damage or taking for which such proceeds are received, either by repairing the damaged property or replacing the destroyed or taken property, as soon as practicable after the receipt of such proceeds, or (b) into the Sinking Fund for the purpose of purchasing or redeeming Obligations.

SECTION 7.11. Enforcement of Collections. LEPA will diligently enforce and collect the fees, rates, rentals and other charges for the use of the products, services and facilities of the Project. LEPA will not take any action that will impair or adversely affect its rights to impose, collect and receive the Revenues as herein provided, or impair or adversely affect in any manner the pledge of the Revenues made herein or the rights of the Bondholders.

SECTION 7.12. Additions to Project. LEPA may add to the Project any facilities or equipment purchased, acquired or constructed for the purpose of improving or renovating any element of the then-existing Project. In addition, LEPA may add to the Project any facilities or equipment for the provision of utility-related services other than those provided by the then existing Project so long as, (a) if any Tax-Exempt Obligations are Outstanding hereunder, LEPA shall have received an opinion of Bond Counsel that the addition to the Project will not, in and of itself, cause the interest on such Tax-Exempt Obligations not to be excludable from gross income of the Holders thereof for federal income tax purposes, (b) the Consulting Engineer certifies that the addition to the Project will not adversely affect the ability of LEPA to satisfy the requirements of Section 5.1 hereof, and (c) within ninety (90) days after adding such addition to the Project LEPA shall have provided written notice of same to each Rating Agency.

## **ARTICLE VIII**

### **CONSULTING ENGINEER**

SECTION 8.1. Consulting Engineer. LEPA shall retain a Consulting Engineer for the purpose of providing LEPA immediate and continuous counsel and advice regarding the Project.

SECTION 8.2. Comprehensive Annual Report. The Consulting Engineer shall prepare within one hundred eighty (180) days after the close of each Fiscal Year a comprehensive report, which comprehensive report may reference, rely upon or be accompanied by a certified copy of an audit of such year's business prepared by the certified public accountant chosen by LEPA, and in addition thereto, shall report upon the operations of the Project during the preceding year, the maintenance of the properties, the efficiency of the management of the property, the proper and adequate keeping of books of account and record, the adherence to budget and budgetary control provisions, the adherence to all the provisions of the Resolution, and all other things having a bearing upon the efficient and profitable operations of the Project, and shall include whatever criticism of any phase of the operation of the Project the Consulting Engineer may deem proper, and such recommendation as to changes in operation and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Consulting Engineer may deem proper including recommended changes in organization, pay scales and risk management practices. Copies of such report shall be placed on file with LEPA and shall be open to inspection by any Owners of any of the Bonds during normal business hours.

SECTION 8.3. Recommendation as to Rate Revision. Upon the occurrence of an Event of Default, it shall further be the duty of the Consulting Engineer to advise LEPA as to any revisions of rates and charges, and LEPA agrees to make no downward revisions in its rates and charges for services which are not approved by the Consulting Engineer.

## ARTICLE IX

### ISSUANCE OF OBLIGATIONS

SECTION 9.1. Creation of Liens, Issuance of Subordinated Indebtedness, Subordinated Contract Obligations and Debt. LEPA shall not issue any bonds or other evidences of indebtedness or incur obligations, other than the Obligations and Parity Debt as provided herein, secured by a pledge of the Net Revenues and shall not create or cause to be created any lien or charge on the Net Revenues except to the extent provided in Section 3.1; provided, however, that LEPA may, at any time, or from time to time, incur Subordinated Indebtedness or enter into Subordinated Contract Obligations payable out of, and which may be secured by a pledge of, such amounts as may from time to time be available for the purpose of the payment thereof in accordance with Section 5.1(g) hereof and such pledge shall be, and shall be expressed to be, subordinate in all respects to the pledge of Net Revenues created by this Resolution as security for payment of the Obligations and provided further, however, that nothing contained in this Resolution shall prevent LEPA from issuing (a) bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution or ordinance to finance a Separately Financed Project; or (b) other bonds, notes, or other obligations or evidences of indebtedness under another and separate resolution or ordinance payable from, among other sources, those moneys withdrawn by LEPA from the Equity Fund.

SECTION 9.2. Issuance of Obligations. Except as otherwise provided in this section, no Obligations may be issued under this Resolution unless LEPA shall have first complied with the requirements of this Section. Obligations may be issued from time to time hereunder for any lawful purpose of LEPA in connection with the Project.

(a) Any Obligations, or any part thereof, may be refunded and the refunding Obligations so issued shall enjoy complete equality of lien with the Obligations which are not refunded, if there be any, and the refunding Obligations shall continue to enjoy whatever priority of lien over subsequent issues as may have been enjoyed by the Obligations refunded.

(b) Obligations, other than refunding described in subparagraph (a) above, may be issued from time to time under this Resolution upon compliance with the following conditions:

(i) LEPA shall have adopted a Supplemental Resolution authorizing such Obligations and providing for the terms thereof as contemplated herein and reciting that all of the covenants contained herein will be fully applicable to such Obligations and otherwise complying with the provisions of Section 3.1;

(ii) An Executive Officer shall certify in writing that, upon the delivery of such Obligations, LEPA will not be in default in the performance of the terms and provisions of this Resolution or of any of the Obligations;

(iii) (A) An Executive Officer shall certify in writing that the Net Revenues as shown on the then-most recent available audited financial statements of the Project equal or exceed the Bond Service Requirement for the same audited period for all Outstanding Obligations, and

(B) The Consulting Engineer shall certify that the projected Net Revenues, together with any amounts available to be transferred into the Receipts Fund from the Equity Fund, for the first three complete Fiscal Years during which the additional Obligations shall be Outstanding will equal or exceed 110% of the Bond Service Requirement for all Outstanding Obligations and Parity Debt proposed to be issued during each of such Fiscal Years; and

(iv) the Governing Authority shall have received an opinion or opinions from the Bond Counsel to the effect that (A) LEPA has the right and power under the Act to enact this Resolution and the Supplemental Resolution, (B) this Resolution and the Supplemental Resolution have been duly and lawfully enacted by LEPA, are in full force and effect and are valid and binding upon LEPA and enforceable in accordance with their respective terms, (C) this Resolution creates a valid lien upon and pledge of the Net Revenues, (D) the Obligations are valid and binding limited obligations of LEPA, enforceable in accordance with their terms, and have been duly and validly authorized and issued in accordance with the Act, this Resolution and the Supplemental Resolution, and (E) LEPA has the full lawful power and authority to issue the Obligations for the purposes for which they are authorized.



In calculating Net Revenues of the Project for purposes of clause (iii) above, the Executive Officer may, at his or her option, adjust the amount of Net Revenues shown on the most recent available audited financial statements of the Project in the following respects:

(A) If, prior to the issuance of the additional Obligations or incurrence of Parity Debt, LEPA shall have increased such rates, rentals, fees and charges for the output, capacity, use or service of the Project, the Net Revenues may be adjusted to show the Net Revenues that would have been derived from the Project if such increased rates, fees, rentals or other charges had been in effect for the full Fiscal Year covered by such audited financial statements; and

(B) If LEPA shall have acquired or shall have contracted to acquire all or part of any capital asset which is to be added to the Project and the cost of which is to be paid, in whole or in part, from proceeds of the proposed additional Obligations, then the Net Revenues shall be increased by adding thereto the Net Revenues that, in the opinion of the Consulting Engineer, would have been derived if such addition to the Project had been included in the Project for the full Fiscal Year covered by such audited financial statements.

SECTION 9.3. Completion Bonds. Notwithstanding anything in Section 9.2 to the contrary, LEPA may issue Obligations for the purpose of completing the Project pursuant to its original plans and specifications if the Consulting Engineer certifies that, at the time of the issuance of such Obligations, the payments owed by or on behalf of LEPA with respect to the initial Costs of Acquisition and Construction of the Project exceed the amounts then held in the Project Fund or the Equity Fund. LEPA covenants that (a) it will only issue one Series of Obligations pursuant to this Section, and (b) the proceeds of such Series of Obligations deposited in the Project Fund shall not exceed the amount by which the initial Costs of Acquisition and Construction exceed the amounts then held in the Project Fund or the Equity Fund.

SECTION 9.4. Effect of Obligations. Obligations issued and Parity Debt incurred pursuant to the terms and conditions of Section 9.2 or 9.3 hereof shall be deemed on a parity with all Obligations and Parity Debt then Outstanding, and all of the covenants and other provisions of this Resolution shall be for the equal benefit, protection and security of the holders of any Obligations originally authorized and issued and Parity Debt incurred pursuant to this Resolution and the holders of any Obligations and Parity Debt evidencing additional obligations subsequently created within the limitations of and in compliance with this Section.

Notwithstanding anything contained in Section 9.2 or 9.3 hereof to the contrary, the above provisions shall not be applicable to Parity Reimbursement Obligations and Parity Swap Obligations incurred with respect to Obligations which met the conditions of Section 9.2 or 9.3 hereof upon their issuance or incurrence.

SECTION 9.5. Separately Financed Project. Other than the Obligations permitted hereunder, nothing in this Resolution shall prevent LEPA from authorizing and issuing bonds, notes, or other obligations or evidences of indebtedness for any Separately Financed Project.

SECTION 9.6. Credit Facilities; Qualified Swaps and Other Similar Arrangements; Parity Debt

(a) LEPA may include such provisions in a Supplemental Resolution authorizing the issuance of a Series of Obligations secured by a Credit Facility as LEPA deems appropriate, and no such provisions shall be deemed to constitute an amendment to this Resolution requiring action under Article XII hereof, including:

(i) So long as a Credit Facility providing security (but not liquidity) is in full force and effect, and payment on the Credit Facility is not in default, then, in all such events, the issuer of the Credit Facility shall be deemed to be the sole Bondholder of the Outstanding Obligations the payment of which such Credit Facility secures when the approval, consent or action of the Bondholders for such Obligations is required or may be exercised under this Resolution. The rights of the issuer of a Credit Facility under this clause (1) may not be assigned or delegated by the issuer of such Credit Facility without the written consent of LEPA.

(ii) In the event that the principal, sinking fund installments, if any, and Redemption Price, if applicable, and interest due on any Outstanding Obligations shall be paid under the provisions of a Credit Facility, all covenants, agreements and other obligations of LEPA to the Bondholders of such Obligations shall continue to exist and such issuer of the Credit

Facility shall be subrogated to the rights of such Bondholders in accordance with the terms of such Credit Facility.

(b) In addition, such Supplemental Resolution may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying principal installments and interest on Obligations secured by the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.

(c) In connection therewith LEPA may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility, (ii) the terms and conditions of such Credit Facility and the Obligations affected thereby, and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

(d) LEPA may secure such Credit Facility by an agreement providing for the purchase of the Obligations secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by LEPA in the applicable Supplemental Resolution. LEPA may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility (together with interest thereon, the "Reimbursement Obligation"); provided, however, that no Reimbursement Obligation shall be created for purposes of this Resolution, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation, which may include interest calculated at a rate higher than the interest rate on the related Obligation, may be secured by a pledge of, and a lien on, the Net Revenues on a parity with the lien created by Section 4.2 to secure the Obligations (a "Parity Reimbursement Obligation"), but only to the extent principal amortization requirements with respect to such reimbursement are equal to the amortization requirements for such related Obligations, without acceleration, or may constitute a Subordinated Contract Obligation, as determined by LEPA. Parity Reimbursement Obligations shall not include any payments of any fees, expenses, indemnification, or other obligations to any such provider, or any payments pursuant to term-loan or other principal amortization requirements in reimbursement of any such advance that are more accelerated than the amortization requirements on such related Obligations, which payments shall be Subordinated Contract Obligations.

(e) Any such Credit Facility shall be for the benefit of and secure such Obligations or portion thereof as specified in the applicable Supplemental Resolution.

(f) In connection with the issuance of any Obligations or at any time thereafter so long as Obligations remain Outstanding, LEPA may, to the extent from time to time permitted pursuant to law, enter into Qualified Swaps. LEPA's obligation to pay any amount under any Qualified Swap may constitute a Parity Swap Obligation, or may constitute a Subordinated Contract Obligation, as determined by LEPA. Parity Swap Obligations shall not include any payments of any termination or other fees, expenses, indemnification or other obligations to a counterparty to a Qualified Swap, which payments shall be Subordinated Contract Obligations.

(g) LEPA's obligation to pay that portion of any rates, fees, charges or payments which LEPA is contractually obligated to pay to another entity for fuel, energy or power, for the specific purpose of meeting principal or interest or both on that entity's obligations directly associated with such contract and payable to such entity regardless of whether fuel or energy is delivered or made available for delivery, may be secured by a pledge of, and lien on, the Net Revenues on a parity with the lien created by Section 4.2 to secure the Obligations (a "Parity Contract Obligation"), or may constitute a Subordinated Contract Obligation or Cost of Operations and Maintenance, as determined by LEPA.

## ARTICLE X

### EVENTS OF DEFAULT; REMEDIES

SECTION 10.1. Events of Default. Each of the following events is hereby declared an "event of default", that is to say if:

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

(b) payment of any installment of interest shall not be made when the same shall become due

(c) LEPA shall for any reason be rendered incapable of fulfilling its obligations hereunder to the extent that the payment of or security for the Obligations would be materially adversely affected, and such conditions shall continue unremedied for a period of thirty (30) days after LEPA becomes aware of such conditions; notwithstanding the foregoing, however, an event of default shall not be deemed to have occurred under this paragraph if the default of LEPA cannot be cured within thirty (30) days of such notice but can be cured within a reasonable period of time and LEPA in good faith institutes curative action within such thirty-day period and diligently pursues such action until the default has been corrected; or

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

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

(f) the entry of a final judgment or judgments for the payment of money against LEPA as a result of the ownership, operation or control of the Project or which subjects any of the funds pledged hereunder to a lien for the payment thereof in contravention of the provisions of this Resolution for which there does not exist adequate insurance, reserves or appropriate bonds for the timely payment thereof, and any such judgment shall not be discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

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

**SECTION 10.2. Enforcement of Remedies.** Upon the happening and continuance of any event of default specified in Section 10.1, then and in every such case the Trustee may proceed, and upon the written request of Owners of twenty-five percent (25%) of the Bond Obligation shall proceed to protect and enforce the rights of the Bondholders under the laws of the State, including the Act, and under this Resolution, by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board, body or officer having jurisdiction, either for the specific performance of any covenant or agreement contained herein or in aid of execution of any power herein granted or for the enforcement of any proper legal or equitable remedy, all as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights.

In the enforcement of any remedy against LEPA under this Resolution, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from LEPA for principal, premium, if any, and interest or otherwise under any provisions of this Resolution or of such Obligations and unpaid, with interest on overdue payments of principal and, to the extent permitted by law, on interest at the rate or rates of interest specified in such Obligations, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Obligations, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce any judgment or decree against LEPA, but solely as provided herein and in such Obligations, for any portion of such amounts remaining unpaid and interest, costs and expenses as above provided, and to collect (but solely from

moneys in the Receipts Fund, and any other moneys available for such purpose) in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 10.3. Effect of Discontinuing Proceedings. In case any proceeding taken by the Trustee or any Bondholder on account of any default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or such Bondholder, then and in every such case LEPA, the Trustee and Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 10.4. Directions to Trustee as to Remedial Proceedings. Anything in this Resolution to the contrary notwithstanding, the Holders of a majority of the Bond Obligation shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law or the provisions of this Resolution, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

SECTION 10.5. Pro Rata Application of Funds. Anything in this Resolution to the contrary notwithstanding, if at any time the moneys in the Operating Fund, as the case may be, shall not be sufficient to pay the principal (or Accreted Values with respect to the Capital Appreciation Bonds) of or the interest on the Obligations as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

(a) Unless the principal of all the Obligations and Parity Debt shall have become due and payable, all such moneys shall be applied (i) to the payment of all installments of interest then due on the Obligations and the interest component of Parity Debt then due, in the order of the maturity of the installments of such interest, to the persons entitled thereto, ratably, without any discrimination or preference, and (ii) to the payment of all installments of principal of Obligations and Parity Debt then due.

(b) If the principal of all the Obligations and Parity Debt shall have become due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest (or Accreted Values with respect to Capital Appreciation Bonds) then due and unpaid upon the Obligations and Parity Debt, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Obligation or Parity Debt over any other Obligation or Parity Debt, ratably, according to the amounts due, respectively, for principal and interest (or Accreted Values with respect to Capital Appreciation Bonds), to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Obligations and Parity Debt.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the setting aside of such moneys, in trust for the proper purpose, shall constitute proper application; and the Trustee shall incur no liability whatsoever to LEPA, to any Bondholder or owner of Parity Debt or to any other person for any delay in applying any such moneys, so long as reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Resolution as may be applicable at the time of application. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an interest payment date unless LEPA shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue and the Accreted Value of Capital Appreciation Bonds shall cease to accrete. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date, and shall not be required to make payment to the owner of any Obligation unless such Obligation shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 10.6. Restrictions on Actions by Individual Bondholders. No Bondholder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any obligation hereunder or for any other remedy hereunder unless such Bondholder previously shall have given to LEPA written notice of the event of default on account of which suit, action or proceeding is to be taken, and unless the Holders of not less

than twenty-five percent (25%) of the Bond Obligation shall have made written request of LEPA after the right to exercise such powers or right of action, as the case may be, shall have accrued, and shall have afforded LEPA a reasonable opportunity either to proceed to exercise the powers hereinabove granted or to institute such action, suit or proceeding in its or their name, and unless, also, there shall have been offered to LEPA reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, including the reasonable fees of its attorneys (including fees on appeal), and LEPA shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of LEPA, to be conditions precedent to the execution of the powers and trusts of this Resolution or for any other remedy hereunder. It is understood and intended that no one or more Owners of the Obligations hereunder secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Resolution, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Bondholders, and that any individual rights of action or any other right given to one or more of such Owners by law are restricted by this Resolution to the rights and remedies herein provided.

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

SECTION 10.7. Appointment of a Receiver. Upon the happening and continuance of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Resolution, the Trustee shall be entitled, as a matter of right, without regard to the solvency of LEPA, to the appointment of a receiver or receivers of the Project, pending such proceedings, with such powers as the court making such appointments shall confer, whether or not the Revenues, the Net Revenues and other funds pledged hereunder shall be deemed sufficient ultimately to satisfy the Obligations Outstanding hereunder.

## **ARTICLE XI**

### **CONCERNING FIDUCIARIES**

SECTION 11.1. Acceptance of the Trusts. The Trustee hereby accepts the trusts imposed upon it herein, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions and no implied covenants or obligations shall be read into this Resolution against the Trustee.

(a) The Trustee, prior to the occurrence of any Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Resolution. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Resolution and use the same degree of care and skill in their exercise as a prudent man would exercise or use under the circumstances in the conduct of his own affairs;

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an opinion of counsel and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith in reliance upon any such opinion of counsel;

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect of the certificate of authentication of the Trustee endorsed on the Bonds), or for the validity of the execution by LEPA of this Resolution or for any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby;

(d) The permissive right of the Trustee to do things enumerated in this Resolution shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful default;

(e) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by LEPA to cause to be made any of the payments to the Trustee required to be made by Article V of this Resolution or to take notice or be deemed to have notice of any event that with the passage of time or the giving of notice or both with or could become an Event of Default hereunder unless the Trustee shall be specifically notified in writing of such default or event by LEPA or by the Owners of not less than 25% of the Bond Obligation; and all notices or other instruments required by this Resolution to be delivered to the Trustee, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee and in the absence of such notice so delivered the Trustee may conclusively assume there is no such default or event except as aforesaid;

(f) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers under this Resolution and shall not be required to give or deposit or require another to give or deposit any security for any funds held or deposited with it hereunder which it might otherwise be obligated to give or require by any provision of law with regard to fiduciaries, trustees trust funds or trust property;

(g) Notwithstanding anything elsewhere in this Resolution contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash or any action whatsoever within the scope of this Resolution, any showings, certificates, opinions, appraisals or other information, or action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action, deemed by the Trustee desirable for the purpose of establishing the right of LEPA to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee; and

(h) Before exercising any remedy under this Resolution, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable expenses which it may incur or advance and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default, by reason of any action so taken.

SECTION 11.2. Trustee to Serve as Paying Agent/Registrar. In addition to other duties imposed in this Resolution, the Trustee shall also serve as Paying Agent and Registrar on each series of Bonds unless a separate paying agent is named for a Series of Bonds in a Supplemental Resolution.

SECTION 11.3. Intervention by Trustee. In any judicial proceedings to which LEPA is a party and which in the opinion of the Trustee and its counsel have a substantial bearing on the interest of the Owners of the Bonds, the Trustee may intervene on behalf of the Owners of such Bonds and shall do so if requested in writing by the Owners of at least 25% of the Bond Obligation, provided that the Trustee shall first have been offered such reasonable indemnity as it may require against the costs, expenses and liabilities which it may incur in or by reason of such proceeding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

SECTION 11.4. Successor Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation resulting from any such merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that any successor Trustee must have combined capital, surplus and undivided profits of at least \$50,000,000.

SECTION 11.5. Resignation by Trustee. The Trustee may at any time and for any reason resign and be discharged of the trusts created by this Resolution by executing an instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and mailing the same to LEPA not less than thirty (30) days before the date specified in such instrument when such resignation is proposed to take effect. Such resignation shall take effect on the day a successor or temporary Trustee shall be appointed by LEPA or the Bondholders, respectively; in no event shall such resignation take effect prior to the appointment of such successor or temporary Trustee; provided, however, that should

neither a successor Trustee nor a temporary Trustee have been appointed or have accepted the trusts created hereby before the date on which said resignation is to take effect, the Trustee may apply to a court of competent jurisdiction for appointment of a successor or temporary Trustee.

SECTION 11.6. Removal of Trustee. The Trustee may be removed at any time by (a) an instrument or concurrent instruments in writing delivered to the Trustee and to LEPA and signed by the Owners of a majority of the Bond Obligation, or (b) a resolution adopted by the Governing Authority of LEPA.

SECTION 11.7. Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by LEPA (provided LEPA is not in default under this Resolution); provided, however, in the event LEPA has not appointed a successor Trustee within sixty (60) days from the date of the notice of the resignation or removal, then a successor Trustee may be appointed by the Owners of a majority of the Bond Obligation, by an instrument or concurrent instruments in writing signed by such Owners, or by their legal representatives duly authorized. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing within or without the State having a reported capital and surplus of not less than \$50,000,000 if there be such an institution willing, qualified and able to accept the trusts under this Resolution upon reasonable and customary terms.

SECTION 11.8. Concerning Any Successor Trustees. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to LEPA an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all of the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all Agreements, securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from LEPA be required by any successor Trustee for more fully and certainly vesting in such successor the estates, properties, rights, powers and trusts hereby vested or intended to be vested in the predecessor, any and all of such instruments in writing shall, on request, be executed, acknowledged and delivered by LEPA. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article XI, shall be filed or recorded by LEPA in the minutes of the Governing Authority.

SECTION 11.9. Trustee Protected in Relying Upon Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Resolution may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the withdrawal of cash hereunder and the taking or omission of any other action permitted by this Resolution. The Trustee may rely upon such resolutions, opinions, certificates and other instruments as having been made by a fully qualified officer, or by a fully qualified and (when required) independent accountant, engineer, expert or counsel. The Trustee, however, may, but shall not be required to, make at the expense of LEPA such further reasonable inquiry as it may deem advisable with respect to any statement contained in any such resolution, opinion, certificate or other instrument. If the Trustee shall determine to make such further inquiry, it shall be entitled to examine, at the expense of LEPA, any or all of the funds, accounts, employees, books, papers and records of LEPA, and, unless satisfied as to the truth and accuracy of the statement so investigated, shall not be obliged to act upon the faith of the instrument containing such statement; but in case the Trustee shall refuse to accept or act on the faith of any resolution, certificate, opinion or other document, it shall promptly notify LEPA in writing of such refusal and the reasons therefor.

SECTION 11.10. Successor Trustee as Trustee and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Bond Registrar, and the successor Trustee shall become Bond Registrar unless a paying agent has been named for a Series of Obligations pursuant to a Supplemental Resolution.

SECTION 11.11. Certain Permitted Acts. The Trustee may become the owner of or deal in Obligations as fully and with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may establish or maintain any commercial banking relationship with LEPA and may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee

formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of enforcement of the Bonds or the Resolution, whether or not any such committee shall represent the Owners of a majority of the Bond Obligation.

SECTION 11.12. Co-Trustee. LEPA shall not appoint a co-Trustee unless the Trustee then serving certifies to LEPA that it cannot perform some of the duties required by such position at that time. If any Co-Trustee is appointed hereunder, such Co-Trustee shall meet the requirements set forth herein and shall be bound by the standard of care, duties and obligations as the Trustee hereunder as if such Co-Trustee were the Trustee.

SECTION 11.13. Trustee Fees. The Trustee shall be entitled to be reimbursed for all reasonable and proper outlays, disbursements and liabilities for which it is customarily reimbursed or of an extraordinary nature, including reasonable attorney's fees, made or incurred in the discharge of its trust hereunder, and shall be entitled to receive a reasonable compensation for all duties performed by it in the discharge of its trust.

SECTION 11.14. Voting Rights With Respect to Obligations. The Trustee shall exercise for the benefit of the Owners, the power to execute all waivers, directions, consents, instructions, approvals and other exercises of the voting rights of an Owner, which power shall be irrevocable. The Trustee shall exercise such power when and as, but only when and as, directed to do so by the holders of a majority in aggregate principal amount of the Bond Obligation pursuant to the terms thereof; provided, however, that the Trustee shall have been offered such reasonable indemnity as it may require against the costs, expenses and liabilities which it may incur in or by reason of exercising such power.

SECTION 11.15. Trustee Appointed Agent. The Trustee is hereby irrevocably appointed special agent and attorney-in-fact for the holders of the Obligations secured hereunder and is vested with full power in their behalf to effect and enforce this Resolution for their benefit.

## ARTICLE XII

### MISCELLANEOUS PROVISIONS

SECTION 12.1. Modification or Amendment.

(a) No modification or amendment of this Resolution, or of any Supplemental Resolution, materially adverse to the Bondholders may be made without the consent in writing of the Owners of not less than a majority of the Bond Obligation, unless otherwise provided by Supplemental Resolution, and no modification or amendment shall permit a change (i) in the maturity of any of the Obligations or a reduction in the rate of interest thereon, (ii) in the amount of the principal obligation of any Obligation, (iii) that would affect the unconditional obligation of LEPA to collect and hold the Revenues as herein provided, or provide for the receipt and disbursement of such Revenues as herein provided, or (iv) that would reduce such percentage of Owners of the Bond Obligation, required above, for such modifications or amendments, without the consent of all of the Bondholders that would be adversely affected by the proposed change. For the purpose of Bondholders, voting rights or consents, the Obligations, if any, owned by or held for the account of LEPA, directly or indirectly, shall not be counted. Notwithstanding the foregoing, and so long as the same shall not result in the interest on Obligations other than Taxable Obligations Outstanding hereunder being included in gross income of the holders thereof for federal income tax purposes, LEPA may, without the consent of the Bondholders, enter into such supplemental ordinances or resolutions (which supplemental ordinances or resolutions shall thereafter form a part hereof):

(A) To cure any ambiguity, inconsistency or formal defect or omission in this Resolution or in any Supplemental Resolution, or

(B) To grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or

(C) To provide for the sale, authentication and of additional Obligations or refunding Obligations and the disposition of the proceeds from the sale thereof, in the manner and to the extent authorized herein, or

(D) To modify, amend or supplement this Resolution or any ordinance or resolution supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Resolution Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Obligations for sale under the securities laws of any of the states of



the United States of America, and, if LEPA so determines, to add to this Resolution or any ordinance or resolution supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Resolution Act of 1939 or similar federal statute, or

(E) To provide for the issuance of coupon Obligations or certificated or uncertificated registered public obligations, or

(F) To provide for changes suggested by a nationally recognized securities rating agency as necessary to secure or maintain the rating on the Obligations, or

(G) To subject to the terms of this Resolution any additional funds, securities or properties, or

(H) To make any other change or modification of the terms hereof which, in the reasonable judgment of LEPA is not prejudicial to the rights or interests of the Holders of the Obligations hereunder, or

(ix) To provide for the issuance of Obligations, Subordinate Debt or Subordinated Contract Obligations as provided herein.

(b) Notwithstanding any provision set forth above, any bond insurer of any Obligations or Parity Debt may vote on behalf of all Bondholders of all such Obligations or Parity Debt.

(c) Notice of any amendments or modifications of this Resolution shall be given by LEPA to the Rating Agencies then rating any Outstanding Obligations.

(d) Notwithstanding anything herein to the contrary, LEPA shall not, without the written consent of the Participants, amend, modify or otherwise change this Resolution or any Supplemental Resolution if the amendment, modification or change would materially adversely affect the rights, obligations or interests of the Participants under the Power Sales Contract.

SECTION 12.2. Defeasance and Release of Resolution. If, at any time after the date of issuance of the Obligations, (a) all Obligations secured hereby, or any Series thereof, or maturity or portion of a maturity within a Series, shall have become due and payable in accordance with their terms or otherwise as provided in this Resolution, or shall have been duly called for redemption, or LEPA gives the Trustee irrevocable instructions directing the payment of the principal of, premium, if any, and interest on such Obligations at maturity or at any earlier redemption date scheduled by LEPA, or any combination thereof, (b) the whole amount of the principal, premium, if any, and the interest so due and payable upon all of such Obligations then Outstanding, at maturity or upon redemption, shall be paid, or sufficient moneys shall be held by the Trustee or an escrow agent in irrevocable trust for the benefit of such Bondholders (whether or not in any accounts created hereby) which, as verified by a report of a nationally recognized independent certified public accountant or nationally recognized firm of independent certified public accountants, when invested in Defeasance Securities maturing not later than the maturity or redemption dates of such principal, premium, if any, and interest will, together with the income realized on such investments, be sufficient to pay all such principal, premium, if any, and interest on said Obligations at the maturity thereof or the date upon which such Obligations are to be called for redemption prior to maturity, and (c) provisions shall also be made for paying all other sums payable hereunder by LEPA, then and in that case the right, title and interest of such Bondholders hereunder and the pledge of and lien on the Net Revenues and all other pledges and liens created hereby or pursuant hereto with respect to such Bondholders shall thereupon cease, determine and become void, and if such conditions have been satisfied with respect to all Obligations issued hereunder and then Outstanding, all balances remaining in any other funds or accounts created by this Resolution other than moneys held for redemption or payment of Obligations and to pay all other sums payable by LEPA hereunder shall be distributed to LEPA for any lawful purpose; otherwise this Resolution shall be, continue and remain in full force and effect.

For purposes of determining the amount of interest due and payable with respect to Variable Rate Obligations pursuant to (b) above, the interest on such Variable Rate Obligations shall be calculated at the maximum rate permitted by the terms thereof; provided, however, that if on any date, as a result of such Variable Rate Obligations having borne interest at less than such maximum rate for any period, the total amount of moneys and Defeasance Securities on deposit with the Trustee for the payment of interest on such Variable Rate Obligations is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate Obligations in order to satisfy the

above provisions, the Trustee shall pay the amount of such excess to LEPA for use in such manner as required or permitted pursuant to an opinion of Bond Counsel in order not to cause interest on the Obligations (other than Taxable Bonds) or any bonds issued to refund the Obligations to cease to be excludable from gross income for federal income tax purposes.

For purposes of determining the amount of principal, premium, if any, and interest due and payable pursuant to (b) above with respect to Obligations subject to mandatory purchase or redemption by LEPA at the option of the Registered Owner thereof ("Put Bonds"), as long as a liquidity credit facility remains in place such amount shall be the maximum amount of principal of and premium, if any, and interest on such Put Bonds which could become payable to the Registered Owners of such Put Bonds upon the exercise of any such demand options provided to the registered owners of such Put Bonds, If any portion of the moneys deposited with the Trustee for the payment of the principal of and premium, if any, and interest on Put Bonds is not required for such purpose the Trustee shall pay the amount of such excess to LEPA for use in such manner as required or permitted pursuant to an opinion of Bond Counsel in order not to cause interest on the Obligations (other than Taxable Bonds) or any bonds issued to refund the Obligations to cease to be excluded from gross income for federal income tax purposes.

If a portion of a maturity of a series of Obligations subject to mandatory sinking fund redemption shall be defeased as provided above, the principal amount of the Obligations so defeased shall be allocated to the mandatory sinking fund installments designated by LEPA, or if no such designation is made, such principal amount shall be allocated to mandatory sinking fund installments in inverse order of maturity.

SECTION 12.3. Tax Covenants. It is the intention of LEPA and all parties under its control that the interest on the Obligations issued hereunder that are not Taxable Obligations be and remain excluded from gross income for federal income tax purposes and to this end LEPA hereby represents to and covenants with each of the Holders of the Obligations issued hereunder that are not Taxable Bonds that it will comply with the requirements applicable to it contained in the Code to the extent necessary to preserve the exclusion of interest on the Obligations issued hereunder that are not Taxable Obligations from gross income for federal income tax purposes. Specifically, without intending to limit in any way the generality of the foregoing, LEPA covenants and agrees:

- (a) to make or cause to be made all necessary determinations and calculations of the amount required to be paid to the United States of America pursuant to Section 148(f) of the Code (the "Rebate Amount") and required payments of the Rebate Amount;
- (b) to set aside sufficient moneys from the Revenues or other legally available funds of LEPA, to timely pay the Rebate Amount to the United States of America;
- (c) to pay any amount owed as arbitrage rebate or yield reduction payments to the United States of America at the times and to the extent required pursuant to Section 148(f) of the Code;
- (d) to maintain and retain all records, pertaining to any amount owed as arbitrage rebate or yield reduction payments with respect to the Obligations that are not Taxable Obligations issued hereunder and required payments of the Rebate Amount with respect to the Obligations that are not Taxable Obligations for at least six years after the final maturity of the Obligations that are not Taxable Obligations or such other period as shall be necessary to comply with the Code;
- (e) to refrain from taking any action that would cause any Obligations or any Series or portion thereof issued hereunder, other than Taxable Obligations and bonds issued with the intent that they shall constitute "private activity bonds" under Section 141(a) of the Code, to be classified as "private activity bonds" under Section 141(a) of the Code; and
- (f) to refrain from taking any action that would cause the Obligations that are not Taxable Obligations issued hereunder to become arbitrage bonds under Section 148 of the Code.

LEPA understands that the foregoing covenants impose continuing obligations of LEPA that will exist as long as the requirements of the Code are applicable to the Obligations.

Notwithstanding any other provision of this Resolution, the obligation of LEPA to pay any amount owed as arbitrage rebate or yield reduction payments to the United States of

America and to comply with the other requirements of this Section shall survive the defeasance or payment in full of the Obligations that are not Taxable Obligations.

SECTION 12.4. Severability. If any one or more of the covenants, agreements or provisions of this Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Resolution or of the Obligations issued hereunder.

SECTION 12.5. No Third-Party Beneficiaries. Except as herein or by Supplemental Resolution otherwise expressly provided, nothing in this Resolution expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto and the owners and holders of the Obligations issued under and secured by this Resolution, any right, remedy or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners and Holders from time to time of the Obligations issued hereunder.

SECTION 12.6. Controlling Law; Members of LEPA Not Liable. All covenants, stipulations, obligations and agreements of LEPA contained in this Resolution shall be deemed to be covenants, stipulations, obligations and agreements of LEPA to the full extent (authorized by the Act and provided by the Constitution and laws of the State of Louisiana). No covenant, stipulation, obligation or agreement contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Governing Authority, agent or employee of LEPA in his individual capacity, and neither the members of LEPA nor any official executing the Obligations shall be liable personally on the Obligations or this Resolution or shall be subject to any personal liability or accountability by reason of the issuance or the execution by LEPA or such members thereof.

SECTION 12.7. Repeal of ordinances or resolutions. All ordinances or resolutions, or parts thereof, in conflict herewith are hereby repealed.

SECTION 12.8. Effective Date. This Resolution shall become effective immediately.

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

YEAS:  
NAYS:  
ABSENT:  
ABSTAIN:

And this resolution was declared adopted on this 31st day of May, 2013.

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Secretary-Treasurer

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Chairman

**Exhibit A**

**Form of Power Sales Contract**

The following resolution was offered by Mayor Gulotta and seconded by Mr. Tim Matte:

**LOUISIANA ENERGY AND POWER AUTHORITY**

**FIRST SUPPLEMENT TO  
POWER PROJECT REVENUE BOND (LEPA UNIT No. 1)  
BOND RESOLUTION**

**Adopted September 4, 2013**

BE IT RESOLVED by the Board of Directors of Louisiana Energy and Power Authority ("LEPA") as follows:

## ARTICLE

### AUTHORITY AND DEFINITIONS

SECTION Supplemental Resolution. This First Supplement to Power Project Revenue Bond (LEPA Unit No. 1) Bond Resolution (the "First Supplemental Resolution") is supplemental and amendatory to the Power Project Revenue Bond (LEPA Unit No. 1) Bond Resolution adopted by LEPA on May 31, 2013 (the "Bond Resolution").

SECTION Authority for this First Supplemental Power Project Revenue Bond (LEPA Unit No. 1) Bond Resolution. This First Supplemental Resolution is adopted (i) pursuant to the provisions of the Act and (ii) in accordance with Article II and Article X of the Bond Resolution.

SECTION Definitions. In addition to the terms defined in the Bond Resolution, the following terms shall have the following meanings unless the context otherwise requires:

**"Bond Purchase Agreement"** shall mean the agreement for the purchase and sale of the Series 2013A Bonds by and between LEPA and the Purchaser, in substantially the form attached hereto as **Exhibit A**.

**"Purchaser"** shall mean Raymond James & Associates, Inc., of New Orleans, Louisiana.

**"Series 2013A Bonds"** shall mean LEPA's Power Project Revenue Bonds (LEPA Unit No. 1), Series 2013A, authorized herein.

**"Series 2013A Reserve Account"** shall mean the Series 2013A Reserve Account established pursuant to this First Supplemental Resolution.

**"Series 2013A Reserve Product"** means a Reserve Product, if any, issued by the Series 2013A Reserve Product Provider or any other Reserve Product Provider having at the time of acceptance of the Reserve Product a rating in a Rating Category equal to or better than the Rating Category assigned to the Series 2013A Bonds (determined without regard to any credit enhancement on the Series 2013A Bonds) by each Rating Agency then rating the Series 2013A Bonds.

**"Series 2013A Reserve Product Provider"** means the Reserve Product Provider, if any, named in the Bond Purchase Agreement.

**"Series 2013A Reserve Requirement"** shall mean, as of any date of calculation, a sum equal to the lesser of (i) 10% of the stated principal amount of the Series 2013A Bonds (calculated in accordance with the Code), (ii) the highest combined principal and interest requirements for any succeeding Fiscal Year on the Series 2013A Bonds, or (iii) 125% of the average aggregate amount of principal installments and interest becoming due in any Fiscal Year on the Series 2013A Bonds.

## ARTICLE

### AUTHORIZATION OF SERIES 2013A BONDS

SECTION Principal Amount, Designation and Series. The Series 2013A Bonds, a Series of Bonds under the Bond Resolution entitled to the benefit, protection and security of the provisions of the Bond Resolution, are hereby authorized in an aggregate principal amount not exceeding \$157,500,000. The Series 2013A Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Power Project Revenue Bonds (LEPA Unit No.1), Series 2013A".

SECTION Purpose. The Series 2013A Bonds are issued for the purpose of (i) acquiring, constructing and equipping an approximately 64 MW, nominal rated, combined cycle combustion turbine electric generating unit located in Morgan City, Louisiana to be known as "LEPA Unit No. 1," and a gas transmission line for natural gas service to LEPA Unit No. 1 (the "Project"), (ii) funding deposits to various Funds (or accounts within those Funds) as set forth herein, and (iii) paying costs of issuance of the Series 2013A Bonds.

SECTION Authorization of Series 2013A Bonds. The Series 2013A Bonds shall be dated the date of delivery, shall be numbered consecutively from AR-1 upwards, shall mature on June 1 in each of the years and in the principal amounts as shall be set forth in the Bond Purchase Agreement, may be serial bonds or term bonds with mandatory call provisions, as set forth in the Bond Purchase Agreement, and shall mature no later than June 1, 2048. The unpaid principal of the Series 2013A Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided, payable on June 1 and December 1, of each year, beginning June 1, 2014.

The principal of, premium, if any, and interest on the Series 2013A Bonds shall be payable in such coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

The Series 2013A Bonds shall bear interest at a rate or rates of interest (not exceeding 8.00% per annum) and shall be sold at such price (premium, par or discount, provided that any such discount shall not be in excess of 5%) all as set forth in the Bond Purchase Agreement.

The Series 2013A Bonds shall be issued in the denomination of \$5,000 each or any integral multiple of \$5,000 within a single maturity. The Series 2013A Bonds shall be issued as Tax-Exempt Obligations, Designated Maturity Obligations and Reserve Secured Obligations under the Bond Resolution. All of the covenants contained in the Bond Resolution shall be fully applicable to the Series 2013A Bonds.

SECTION Place of Payment and Trustee. The principal and interest of the Series 2013A Bonds shall be payable by the Trustee, or its successor, to DTC which will remit such payments in accordance with Section 2.10 hereof.

SECTION Redemption Terms. The Series 2013A Bonds maturing June 1, 2024 and thereafter, are callable for redemption by the Authority in full, or in part, at any time on or after June 1, 2023 at the principal amount thereof and accrued interest to the date fixed for redemption.

In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. In the event less than a full maturity of Bonds is redeemed, the Trustee shall select the Bonds, or portions thereof, to be redeemed.

The Bonds may be subject to mandatory sinking fund redemption to the extent set forth in the Bond Purchase Agreement.

SECTION Establishment of Series 2013A Reserve Account. There is hereby established the Series 2013A Reserve Account, which shall be maintained by the Trustee as a separate account in the Reserve Fund. Moneys in the Series 2013A Reserve Account shall be used solely for transfer to the Sinking Fund in amounts required to prevent any default in the payment of the principal of and interest on the Series 2013A Bonds. LEPA may cause to be deposited into the Series 2013A Reserve Account for the benefit of the holders of the Series 2013A Bonds secured thereby (a) cash, (b) the Series 2013A Reserve Product, or (c) a combination of the foregoing, as may be authorized by LEPA, in an amount sufficient so that the total credited to the Series 2013A Reserve Account is not less than the Series 2013A Reserve Requirement. The initial deposit shall be set forth in the Bond Purchase Agreement.

In the event of the refunding of any Series 2013A Bonds, LEPA may withdraw from the Series 2013A Reserve Account all, or any portion of, the amounts accumulated therein with respect to the Series 2013A Bonds being refunded and deposit such amounts to be held for the payment of the principal or redemption premium, if applicable and interest on the Series 2013A Bonds being refunded; provided that such withdrawal shall not be made unless (i) immediately thereafter the Series 2013A Bonds being refunded shall be deemed to have been paid and are no longer Outstanding, and (ii) the amount remaining in the Series 2013A Reserve Account, after giving effect to the issuance of the refunding bonds and the disposition of the proceeds thereof, shall not be less than the Series 2013A Reserve Requirement.

The repayment of any draws under a Series 2013A Reserve Product and related reasonable expenses incurred by the Series 2013A Reserve Product Provider shall be in accordance with the terms of the Series 2013A Reserve Product.

The Executive Officers are hereby authorized and directed to execute any and all documents associated with a Series 2013A Reserve Product, the signatures of said officers

on the documents related to such Series 2013A Reserve Product to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION Application of Proceeds of Series 2013A Bonds. In accordance with Article V of the Bond Resolution, the proceeds of the Series 2013A Bonds shall be applied simultaneously with the delivery of the Series 2013A Bonds, as follows:

There shall be (a) purchased the Series 2013A Reserve Product or deposited in the Series 2013A Bonds Account of the Reserve Fund the amount required so that the amount in such Account shall equal the Series 2013A Bonds Reserve Requirement calculated immediately after the authentication and delivery of the Series 2013A Bonds, as set forth in the Bond Purchase Agreement.

(2) There shall be deposited in the Project Fund the amount required to pay capitalized interest as set forth in the Bond Purchase Agreement, which amount shall be segregated from other funds in the Project Fund pursuant to Section 5.2 of the Bond Resolution; sufficient amounts from such project shall be transferred to the Sinking Fund not less than three (3) days prior to each Interest Payment Date to pay the interest coming due on the Series 2013A Bonds on such Interest Payment Date.

(3) The remaining balance of proceeds of the Series 2013A Bonds shall be deposited in the separate account for the Series 2013A Bonds established in the Project Fund to be known as the "Series 2013A Bonds Account." The Proceeds shall be used solely to pay Costs of Acquisition and Construction and costs of issuance pursuant to the terms of the Bond Resolution. In the event the proceeds deposited in the Series 2013A Bonds Account of the Project Fund exceed the purposes for which the Series 2013A Bonds are being issued, and the existence of such excess is certified to the Trustee by an Executive Officer of LEPA, then such excess shall be distributed as set forth in Section 5.2 of the Bond Resolution.

SECTION Covenants and Certification as to Arbitrage. LEPA covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Series 2013A Bonds under the Code and any amendment thereto. LEPA further covenants and agrees that it will not take any action or fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Series 2013A Bonds or any other funds of LEPA to be used directly or indirectly in any manner, the effect of which would be to cause the Series 2013A Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Series 2013A Bonds in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Series 2013A Bond proceeds or (ii) the use of the proceeds of the Series 2013A Bonds, directly or indirectly, in a manner which would cause the Series 2013A Bonds to be "private activity bonds."

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section including, without limitation, a Tax Compliance Certificate dated as the date of delivery.

SECTION Form of Series 2013A Bonds and Trustee's Certificate of Authentication. The form of the Series 2013A Bonds and the Trustee's certificate of authentication thereon shall be substantially in the forms set forth in **Exhibit B** hereto.

SECTION Book-Entry Only Registration of the Series 2013A Bonds. Except as provided in subparagraph (c) of this Section, the registered Bondholder of all of the Series 2013A Bonds shall be, and the Series 2013A Bonds shall be registered in the name of, Cede & Co. ("Cede"), as nominee of The Depository Trust Company ("DTC"), New York, New York. Payment of semiannual interest for any Series 2013A Bond, as applicable, shall be made in accordance with the Bond Resolution to the account of Cede on the interest payment date for the Series 2013A Bonds at the address indicated for Cede in the registry books of LEPA kept by the Bond Registrar.

The Series 2013A Bonds shall be initially issued in the form of a separate single fully registered Bond in the respective amounts of each separate stated maturity of the Series 2013A Bonds. Upon initial issuance, as per the direction of the initial purchasers of the Series 2013A Bonds, the ownership of each such Series 2013A Bond shall be registered in the registry books of LEPA kept by the Bond Registrar in the name of Cede, as nominee of DTC. With respect to Series 2013A Bonds so registered in the name of Cede, LEPA, each Fiduciary and the Bond Registrar shall have no responsibility or obligation to any

DTC participant or to any beneficial owner of such Series 2013A Bonds. Without limiting the immediately preceding sentence, LEPA, each Fiduciary and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant or any nominee of a beneficial owner with respect to any beneficial ownership interest in the Series 2013A Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2013A Bonds, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal of, or interest on, the Series 2013A Bonds. LEPA, each Fiduciary and the Bond Registrar may treat DTC as, and deem DTC to be, the absolute owner of each Series 2013A Bond for all purposes whatsoever, including (but not limited to) (i) payment of the principal of, and interest on, each such Series 2013A Bond, (ii) giving notices with respect to such Series 2013A Bonds and (iii) registering transfers with respect to such Series 2013A Bonds. The Trustee shall pay the principal of, and interest on, all Series 2013A Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge LEPA's obligations with respect to such principal and interest, to the extent of the sum or sums so paid. Except as provided in sub-paragraph (c) of this Section, no person other than DTC shall receive a Series 2013A Bond evidencing the obligation of LEPA to make payments of principal of, and interest on, the Series 2013A Bonds pursuant to the Bond Resolution. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Bond Resolution, the word "Cede" herein shall refer to such new nominee of DTC; provided that, notwithstanding any provision of the Bond Resolution to the contrary, until the termination of the book-entry-only system, the Series 2013A Bonds may be transferred in whole, but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or any nominee thereof, or by DTC or a nominee of DTC to a successor securities depository or any nominee thereof.

DTC may determine to discontinue providing its services with respect to the Series 2013A Bonds at any time by giving written notice to LEPA or the Trustee.

LEPA, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Series 2013A Bonds if LEPA determines that the continuation of the system of book-entry-only transfers through DTC (or a successor securities depository) is not in the best interests of the beneficial owners of the Series 2013A Bonds or is burdensome to LEPA, and shall terminate the services of DTC with respect to the Series 2013A Bonds upon receipt by LEPA and the Trustee of written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the Series 2013A Bonds then Outstanding to the effect that (i) DTC is unable to discharge its responsibilities with respect to the Series 2013A Bonds; or (ii) a continuation of the requirement that all of the Outstanding Series 2013A Bonds be registered in the registration books kept by the Trustee in the name of Cede, as nominee of DTC, is not in the best interest of the beneficial owners of the Series 2013A Bonds.

Upon the termination of the services of DTC with respect to the Series 2013A Bonds pursuant to subsection (c)(2)(ii) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2013A Bonds pursuant to subsection (c)(1) or subsection (c)(2)(i) hereof after which LEPA has not within 90 days appointed a substitute securities depository which, in the opinion of LEPA, is willing and able to undertake the functions of DTC upon reasonable and customary terms, the Series 2013A Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Registrar in the name of Cede as nominee of DTC. In such event, LEPA shall issue and the Bond Registrar shall transfer and exchange Series 2013A Bond certificates of like principal amount, series and maturity, in authorized denominations to the DTC participants or the identifiable beneficial owners in replacement of such beneficial owners' beneficial interests in the Series 2013A Bonds.

Notwithstanding any other provision of the Bond Resolution to the contrary, so long as any Series 2013A Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal of, and interest on, such Series 2013A Bond and all notices with respect to such Series 2013A Bond shall be made and given, respectively, to DTC as provided in the representation letter of LEPA and the Trustee addressed to DTC with respect to the Series 2013A Bonds.

In connection with any notice or other communication to be provided to Bondholders pursuant to the Bond Resolution by LEPA or the Trustee with respect to any consent or other action to be taken by Bondholders, LEPA or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of

such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

The Trustee shall maintain a payment record reflecting the amount of all payments, and the date of such payments. Such payment record shall be conclusive evidence of the amount of Series 2013A Bonds outstanding at any time.

SECTION 2.11. Official Statement. This Governing Authority hereby approves the Preliminary Official Statement pertaining to the Series 2013A Bonds in the form presented to the Issuer, and hereby authorizes its use in connection with the sale of the Bonds. This Governing Authority further approves the form and content of the final Official Statement and hereby authorizes and directs the execution by the Chairman and Secretary-Treasurer of this Governing Authority and the delivery of such final Official Statement to the Purchaser for use in connection with the public offering of the Bonds.

## ARTICLE

### AMENDMENTS TO BOND RESOLUTION

SECTION Amendment to Section 1.1 of Bond Resolution. The definition of the term "Reserve Product Provider" shall be replaced with the following:

"Reserve Product Provider" means a bond insurance provider or a bank or other financial institution providing a Reserve Product named or otherwise authorized in a Supplemental Resolution with respect to one or more Series of Bonds.

SECTION 3.2. Amendment to Section 5.1(d) of Bond Resolution. The 4<sup>th</sup> paragraph of Section 5.1(d) of the Bond Resolution shall be replaced with the following:

Each Reserve Requirement, in whole or in part, may be funded with cash or Investment Obligations, or one or more Reserve Products, or a combination thereof. Any such Reserve Product must provide for payment on any interest or principal payment date (provided adequate notice is given) on which a deficiency exists (or is expected to exist) in moneys held hereunder for payment of the principal of or interest on the Obligations due on such date which cannot be cured by funds in any other fund or account held pursuant to this Resolution and available for such purpose, and shall name the Trustee as the beneficiary thereof. If a disbursement is made from a Reserve Product as provided above, LEPA shall be obligated to reinstate the maximum limits of such Reserve Product on or before the close of the month following such disbursement from the first Revenues available pursuant to this Section or to replace such Reserve Product by depositing into the Reserve Fund pursuant to such sections, funds in the maximum amount originally available under such Reserve Product, plus amounts necessary to reimburse the Reserve Product Provider for previous disbursements under such Reserve Product, or a combination thereof. For purposes of this Section, amounts necessary to satisfy such reimbursement obligations of LEPA to a Reserve Product Provider shall be deemed to be required deposits to the Reserve Fund, but shall be applied to satisfy the obligations to the Reserve Product Provider.

## ARTICLE

### AUTHORIZATION OF BOND PURCHASE AGREEMENT; POWER SALES CONTRACT; BOND INSURANCE

SECTION Bond Purchase Agreement. The Series 2013A Bonds are hereby authorized to be sold to the Purchaser, and one or more of the Executive Officers are hereby authorized to execute the Bond Purchase Agreement and provide for such sale to the Purchaser at a price not less than 95% of par, plus accrued interest, if any. After execution and authentication by the Trustee, the Series 2013A Bonds shall be delivered to the Purchaser, or its agents or assigns, upon receipt by LEPA of the agreed purchase price. The Bond Purchase Agreement shall be in substantially the form attached hereto as Exhibit A with such changes as may be approved by the Executive Officers signing the Bond Purchase Agreement, their execution being conclusive evidence of their approval of such changes.



SECTION 4.2. Power Sales Contract. The execution of the Executive Officers on the Power Sales Contract, in the form attached as Exhibit C, is hereby ratified and confirmed and the final form of the Power Sales Contracts executed with the various Participants is hereby approved.

SECTION 4.3. Authorization for Bond Insurance; Reserve Product. This Governing Authority hereby makes the findings required by Section 1429 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, of the benefit from entering into contracts with Assured Guaranty Municipal Corp. for the acquisition of a Municipal Bond Insurance Policy and a Municipal Bond Debt Service Reserve Insurance Policy (collectively, the "Policies") for the Series 2013A Bonds. Accordingly, the Bond Purchase Agreement may require the purchase by LEPA of one or both Policies at a cumulative price not exceeding \$3,000,000, such price to be payable from proceeds of the Series 2013A Bonds.

In the event of the acceptance and execution of a Bond Purchase Agreement providing for the purchase of one or both Policies, the provisions of Exhibit "D" hereof shall be operative, and such provisions shall be effective, notwithstanding any contrary provision of the Bond Resolution or this First Supplemental Resolution. In the event the Bond Purchase Agreement contains no provision requiring the Policies, Exhibit D shall be null and of no effect.

## ARTICLE

### EFFECTIVE DATE

SECTION Effective Date. This First Supplemental Resolution shall take effect immediately.

After having been submitted to a vote, the resolution was declared adopted on this, the 4th day of September, 2013.

/s/ Tom Bourge  
Secretary-Treasurer

/s/ Hiram Copeland  
Chairman

### EXHIBIT A B C & D

**(THE EXHIBITS MAY BE VIEWED BY REQUEST TO THE OFFICES OF LEPA AT 210 VENTURE WAY, LAFAYETTE, LOUISIANA 70507)**

There being no further business, a motion to adjourn was made by Mr. Dufrene, 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