

**PARISH OF LINCOLN,  
STATE OF LOUISIANA  
JUNE 13, 2023**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION**

A resolution authorizing the issuance of not exceeding Nine Hundred Fifty Thousand Dollars (\$950,000) of Taxable Sewer Revenue Bonds (DEQ), Series 2023, of the Parish of Lincoln, State of Louisiana; and providing for other matters in connection therewith.

**WHEREAS**, the Parish of Lincoln, State of Louisiana (the "Parish"), now owns and operates a wastewater system (the "System") as a revenue producing work of public improvement and proposes to construct and acquire improvements and replacements to the System, including equipment and fixtures therefor (the "Project"); and

**WHEREAS**, the Parish proposes to finance a portion of the costs of the Project through the sale and issuance of its Taxable Sewer Revenue Bonds, to be payable as to principal and interest solely from a dedication and pledge of the income and revenues derived or to be derived from the operation of the System, pursuant to the provisions of Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto (collectively, the "Act"), after provision has been made for the payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the System (the "Net Revenues"); and

**WHEREAS**, pursuant to the authority of the Act, the Parish, by a resolution adopted May 9, 2023, by this Police Jury, acting as the governing authority of the Parish (the "Governing Authority"), gave notice of its intention to issue sewer revenue bonds of the Parish in an amount not exceeding \$950,000 without the necessity of the holding of an election thereon, and the Parish held a public hearing thereon on this date, at which no objections were made to the issuance of such bonds and no petition was filed requesting an election thereon; and

**WHEREAS**, it is now the desire of the Parish to authorize the issuance of its Taxable Sewer Revenue Bonds, Series 2023, in an amount not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000) (the "Bonds") in accordance with the terms and provisions of the Act to fund the Project and pay the costs of issuance of the Bonds; and

**WHEREAS**, at this time, the Parish has no outstanding indebtedness that is payable from a pledge and dedication of the Net Revenues; and

**WHEREAS**, the United States of America, pursuant to the Clean Water Act of 1972, as amended by the Water Quality Act of 1987, specifically Subchapter VI, Chapter 26 of Title 33 of the United States Code (the "Federal Act"), is authorized to make capitalization grants to states to be used for the purpose of establishing a water pollution control revolving fund for providing assistance (i) for construction of treatment works (as defined in Section 1292 of the Federal Act) which are publicly owned, (ii) for implementing a management program under Section 1329 of the Federal Act, and (iii) for developing and implementing a conservation and management plan under Section 1330 of the Federal Act; and

**WHEREAS**, the State of Louisiana (the "State"), pursuant to Subtitle II, Chapter 14 of Title 30 of the Louisiana Revised Statutes of 1950, as amended, specifically La. R.S. 30:2301, *et seq.*) (the "State Act"), has established a Clean Water State Revolving Fund (the "State Revolving Fund") in the custody of the Department of Environmental Quality (the "Department") to be used for the purpose of providing financial assistance for the improvement of wastewater treatment facilities in the State, as more fully described in Section 2302 of the State Act, and has authorized the Department to administer the State Revolving Fund in accordance with applicable federal and state law; and

**WHEREAS**, the Parish has made application to the Department for a loan from the State Revolving Fund to finance a portion of the costs of the Project and the Department has approved the Parish's application for such loan; and

**WHEREAS**, the Bonds will be issued to represent the Parish's obligation to repay the loan from the State Revolving Fund; and

**WHEREAS**, the Parish desires to fix the details necessary with respect to the issuance, sale and delivery of the Bonds, and to provide for the authorization and issuance thereof, as hereinafter provided;

**NOW, THEREFORE, BE IT RESOLVED** by the Police Jury of the Parish of Lincoln, State of Louisiana, acting as the governing authority of the Parish, that:

SECTION 1. Definitions. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

**"Act"** means, collectively, Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto.

**"Additional Parity Bonds"** means any *pari passu* additional bonds that may hereafter be issued on a parity with the bonds pursuant to Section 20 hereof.

**"Administrative Fee"** means the annual fee equal to one-half of one percent (0.50%) per annum of the outstanding principal amount of the Bonds, or such lesser amount as the Department may approve from time to time, which shall be payable each year in two equal semi-annual installments on each Interest Payment Date.

**"Authorized Officers"** means collectively the President and the Administrator of the Governing Authority, or such other person or persons authorized pursuant to a resolution or ordinance of the Governing Authority to act as an authorized officer of the Parish to perform any act or execute any document relating to the Loan, the Bonds or the Loan Agreement.

**"Bond"** or **"Bonds"** means the Parish's Taxable Sewer Revenue Bonds, Series 2023, issued by this Bond Resolution in the total aggregate principal amount of not exceeding Nine Hundred Fifty Thousand Dollars (\$950,000), and any bond of said issue, whether initially delivered or issued in exchange for, upon transfer of, or *in lieu* of any previously issued.

**"Bond Register"** means the registration books of the Paying Agent (initially the Administrator of the Governing Authority), in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

**"Bond Resolution"** means this resolution authorizing the issuance of the Bonds.

**"Bond Year"** means the one year period ending on each Principal Payment Date.

**"Business Day"** means a day of the year on which banks located in the City of New Orleans are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

**"Completion Date"** means the earlier of (i) the date of the final disbursement of the purchase price of the Bonds to the Parish, or (ii) the date the operation of the Project is initiated or capable of being initiated, as certified by an Authorized Officer in accordance with the Loan Agreement.

**"Consulting Engineer"** means a regionally known consulting engineer or firm of consulting engineers with skill and experience in the construction and operation of publicly owned drinking water and wastewater disposal systems.

**"Department"** means the Louisiana Department of Environmental Quality, an executive department and agency of the State of Louisiana, and any successor to the duties and functions thereof.

**"Fiscal Year"** means the Parish's one-year accounting period determined from time to time by the Governing Authority as the fiscal year of the Parish, currently being the year ending each December 31.

**"Governing Authority"** means the Police Jury of the Parish of Lincoln, State of Louisiana.

**"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 are non-callable prior to their maturity and 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 each February 1 and August 1, commencing February 1, 2024, or such other semi-annual payment dates as may be approved by the Authorized Officers in the manner set forth in Section 2.

**"Loan"** means the loan made by the Department from the Clean Water State Revolving Fund to the Parish pursuant to the Loan Agreement, the obligation to repay which Loan is evidenced by the Bonds.

**"Loan Agreement"** means the Loan and Pledge Agreement to be entered into by and between the Department and the Parish prior to the delivery of the Bonds, in substantially the form attached hereto as **Exhibit B**, which will contain certain additional agreements relating to the Bonds and the Project, as it may be supplemented or amended from time to time in accordance with the provisions thereof.

**"Net Revenues"** means the income and revenues derived or to be derived by the Parish from the operation of the System, after provision has been made for the payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the System (excluding depreciation).

**"Outstanding"** when used with respect to Bonds means, as of the date of determination, all Bonds or portions thereof theretofore issued and delivered under this Bond Resolution, except:

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds actually paid or for whose payment or prepayment sufficient funds have been theretofore deposited in trust for the Owners of such Bonds as provided in Section 26 herein provided that, if such Bonds are to be prepaid, irrevocable notice of such prepayment has been duly given or provided for pursuant to this Bond Resolution, to the satisfaction of the Paying Agent, or waived;
- (c) Bonds in exchange for or *in lieu* of which other Bonds have been registered and delivered pursuant to this Bond Resolution; and



- (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this Bond Resolution.

**"Owner" or "Owners"** when used with respect to any Bond means the Person in whose name such Bond is registered with the Paying Agent.

**"Parish"** means the Parish of Lincoln, State of Louisiana, a political subdivision of the State of Louisiana, and its successors or assigns.

**"Paying Agent"** means the Administrator of the Governing Authority, unless and until a successor Paying Agent shall have assumed such responsibilities pursuant to this Bond Resolution.

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

**"Principal Payment Date"** means each August 1 (or such other annual payment date as may be approved by the Authorized Officers in the manner set forth in Section 2), commencing not later than one year after the completion of the Project and the final payment date to fall not exceeding nineteen years from the first Principal Payment Date thereafter for a total of twenty (20) consecutive annual payment dates, providing that in no event shall the final maturity of the Bonds be more than twenty-two (22) years from the date of the Bonds.

**"Purchaser"** means the Department, being the original purchaser of the Bonds.

**"Project"** means constructing and acquiring improvements and replacements to the System, including equipment and fixtures thereto, which shall constitute a work of public improvement for the Parish, as further described in the Loan Agreement.

**"Qualified Investments"** means the following, provided that the same are at the time legal for investment of the Parish's funds and, if required by law, are secured at all times by collateral described in clause (a) below:

- (a) Government Securities, including obligations of any of the federal agencies set forth in clause (b) below to the extent unconditionally guaranteed by the United States of America and any certificates or any other evidences of an ownership interest in obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in this clause (a);
- (b) bonds, debentures or other evidences of indebtedness issued by the Private Export Funding Corporation, Federal Home Loan Bank System, Federal

Home Loan Mortgage Corporation, Federal National Mortgage Association and Student Loan Marketing Association;

- (c) certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of the State or any national banking association having its principal office in the State which is a member of the Federal Deposit Insurance Corporation and which are secured at all times by collateral described in clause (a) above;
- (d) certificates of deposit, savings accounts, deposit accounts or money market deposits of any bank or trust company organized under the laws of the State or any national banking association having its principal office in the State which are fully insured by the Federal Deposit Insurance Corporation; and
- (e) the Louisiana Asset Management Pool (LAMP).

**"Record Date"** for the interest payable on any Interest Payment Date means the 15th calendar day of the month next preceding such Interest Payment Date, whether or not such day is a Business Day.

**"Reserve Fund Requirement"** means as of any date of calculation, a sum equal to one-half of the maximum principal and interest requirements for any succeeding Bond Year on the Bonds. The Reserve Fund Requirement for any issue(s) of Additional Parity Bonds shall be defined in the resolution(s) authorizing the issuance of such Additional Parity Bonds.

**"System"** means the wastewater collection, treatment and disposal system of the Parish, as now existing and as constructed, acquired, extended and improved with the proceeds of the Bonds or as said wastewater collection, treatment and disposal system shall hereafter be improved, extended or supplemented from any source whatsoever while any of the Bonds remain outstanding, including, specifically, all properties of every nature owned by the Parish and used or useful in the operation of said wastewater collection, treatment and disposal system, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action.

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, there is hereby authorized the incurring of an indebtedness of not exceeding Nine Hundred Fifty Thousand Dollars (\$950,000) for, on behalf of and in the name of the Parish, for the purpose of financing the Project and for paying costs of issuance of the Bonds. To represent the said indebtedness, the Parish does hereby authorize the issuance of its "Taxable Sewer Revenue Bonds, Series 2023" in an amount not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000). The Bonds shall be initially issued in the form of a single fully registered Bond numbered R-1, shall be dated

the date of delivery thereof and shall be in substantially the form attached hereto as **Exhibit A.**

The Authorized Officers may approve a different series designation if the Bonds are delivered after the end of 2023 or if it is in their sole judgment preferable to do so. The Authorized Officers may also approve different semi-annual interest payment dates (e.g. January 1 & July 1, March 1 & September 1, etc.) as well as a different annual Principal Payment Date if in their sole judgment it is preferable to do so when the actual delivery date of the Bonds is known, provided that the final maturity date of the Bonds is no later than twenty-two years from the date of delivery.

The Bonds shall mature in twenty (20) installments of principal, payable annually on each August 1, and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the outstanding principal amount of the Bonds on the day before the applicable Principal Payment Date:

<u>Date</u> <u>(August 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(August 1)</u>	<u>Percentage</u> <u>of Principal</u>
2025	4.564%	2035	9.580%
2026	4.827	2036	10.696
2027	5.120	2037	12.090
2028	5.448	2038	13.884
2029	5.817	2039	16.275
2030	6.235	2040	19.624
2031	6.712	2041	24.647
2032	7.264	2042	33.019
2033	7.907	2043	49.764
2034	8.667	2044	100.000

In the event that the Completion Date of the Project is on or after the first Principal Payment Date stated in the Bonds, the principal payment schedule set forth above may be adjusted so that each payment shall be due on the August 1 that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the Delivery Date.

The unpaid principal of the Bonds shall bear interest from the date thereof, or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate of forty-five hundredths of one percent (0.45%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date. Interest on the Bonds on any Interest Payment Date shall be payable only on the aggregate amount of the purchase price which shall have been paid theretofore to the Parish and is outstanding and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

In addition to interest at the rate set forth above, at any time that the Department owns the Bonds, the Parish will pay the Administrative Fee to the Department on each Interest Payment Date. In the event (i) the Department owns any Bonds or the Department has pledged or assigned any Bonds in connection with its Clean Water State Revolving Fund and (ii) the Administrative Fee payable by the Parish to the Department under the terms of the Loan Agreement is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the Bonds shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability. The Administrative Fee shall be calculated in the same manner as interest on the Bonds.

SECTION 3. Prepayment. The principal installments of the Bonds are subject to prepayment at the option of the Parish at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date and in such case the remaining principal of the Bonds shall continue to mature in installments calculated using the percentages shown in Section 2 above. Official notice of such call for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the Owner of each Bond to be prepaid at his address as shown on the registration records of the Paying Agent. In the event a portion of the Bonds is to be prepaid, such Bonds shall be surrendered to the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the Bonds.

SECTION 4. Security for Payment of Bonds. The Bonds shall be secured and payable in principal and interest exclusively by a pledge of the Net Revenues. The Net Revenues are hereby irrevocably and irrepealably pledged in an amount sufficient for the payment of the Bonds in principal and interest as the installments thereof fall due, and the income and revenues thus pledged shall remain so pledged for the security of the Bonds in principal and interest until they shall have been fully paid and discharged.

In providing for the issuance of the Bonds, the Parish does hereby covenant and warrant that it is lawfully seized and possessed of the System, that it has a legal right to pledge the Net Revenues as herein provided, that the Bonds will have a lien and privilege on the Net Revenues subject only to the prior payment from the income and revenues of the System (or from other lawfully available sources) of all reasonable and necessary expenses of operation and maintenance of the System, and that the Parish will at all times maintain the System in first-class repair and working order and condition.

SECTION 5. Bond Resolution a Contract. The provisions of this Bond Resolution shall constitute a contract between the Parish and the Owner or Owners from time to time of the Bonds, and any such Owner may by suit, action, mandamus or other

proceedings, enforce and compel performance of all of the duties required to be performed by the Governing Authority as may be provided for in this Bond Resolution.

Notwithstanding the foregoing, no member of the Governing Authority or any officer or employee of the Parish, or any person executing the Bonds shall be personally liable on the Bonds.

SECTION 6. Sale and Delivery of Bonds. The Bonds are hereby awarded to and sold to the Department under the terms and conditions set forth in the Loan Agreement, and after their execution the Bonds shall be delivered to the Department or its agents or assigns. Pursuant to R.S. 39:505(B), the Parish has determined to sell the Bonds at a private sale without necessity of publication of a notice of sale. It is understood that the purchase price of the Bonds will be paid by the Department to the Parish in installments, in the manner and under the terms and conditions set forth in the Loan Agreement.

SECTION 7. Manner of Payment. The principal and interest on the Bonds will be payable by check mailed by the Paying Agent to the Owner (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent for such purpose, provided that payment of the final installment of principal on the Bonds shall be made only upon presentation and surrender of the Bonds to the Paying Agent.

SECTION 8. Execution of Bonds and Documents. The Authorized Officers are each hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Bond Resolution, to execute and deliver the Loan Agreement, and to cause the Bonds to be prepared and/or printed, to issue, execute and seal the Bonds and to effect delivery thereof as hereinafter provided. If facsimile signatures are used on the Bonds, then such signatures shall be registered with the Louisiana Secretary of State in the manner required by La. R.S. 39:244, provided that at least one signature on each Bond shall be a manual signature.

In connection with the issuance and sale of the Bonds, the Authorized Officers are each authorized, empowered and directed to execute on behalf of the Parish such additional documents, certificates and instruments as they may deem necessary, upon the advice of counsel, to effect the transactions contemplated by this Bond Resolution, including a Commitment Agreement with the Department. The signatures of said officers on such documents, certificates and instruments shall be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 9. Registration. The Parish shall cause the Bond Register to be kept at the principal office of the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as provided herein. The Bonds may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Parish. The Bonds may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the

Paying Agent. A new Bond will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Bond after receipt of the Bond to be transferred in proper form.

SECTION 10. Effect of Registration. The Parish, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and prepayment price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the Parish, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 11. Recital of Regularity. This Governing Authority, having investigated the regularity of the proceedings had in connection with this issue of Bonds, and having determined the same to be regular, the Bonds shall contain the following recital authorized by and having the effect set forth in R.S. 39:507, to wit:

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

SECTION 12. Deposit of Bond Proceeds. The proceeds derived from the sale of the Bonds shall constitute a trust fund to be used exclusively for the purposes for which the Bonds are herein authorized to be issued, but the purchaser of the Bonds shall not be obliged to see to the application thereof. All of the proceeds derived from the sale of the Bonds, which shall be paid in installments by the Department in the manner set forth in the Loan Agreement, shall be deposited by the Parish in a Construction Fund (the "Construction Fund"). The funds in the Construction Fund shall be used solely for the purpose of paying costs of the Project, in the manner set forth in the Loan Agreement, and costs of issuance, as defined in the Act.

SECTION 13. Davis-Bacon Wage Rate Requirements. The Parish agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the project that is funded in whole or in part with the Bonds purchased by the Department shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Parish as determined by the Clerk of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Parish will ensure that all construction contracts relating to the portion of the Project that is funded in whole or in part with Bonds purchased by the Department will require that the contractor comply with the aforesaid wage and reporting requirements. This Section shall not apply to situations where the Parish may perform construction work using its own employees rather than any contractor or subcontractor.



SECTION 14. Flow of Funds. In order that the principal of and the interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the Parish covenants as follows:

All of the income and revenues derived or to be derived by the Parish from the operation of the System shall continue to be deposited daily as the same may be collected in a separate and special bank account with the regularly designated fiscal agent bank of the Parish, and designated as the "Sewer System Revenue Fund" (the "Revenue Fund"), said Fund to be maintained and administered in the following order of priority and for the following express purposes:

- (a) The payment of, first, all reasonable and necessary expenses of administering, operating and maintaining the System.
- (b) The establishment and maintenance of the "Sewer Revenue Bond Debt Service Fund" (the "Debt Service Fund"), sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any Additional Parity Bonds issued hereafter in the manner provided by this Bond Resolution, as they severally become due and payable, by transferring from the Revenue Fund to the Debt Service Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to the pro-rata amount of interest falling due on the Bonds and any Additional Parity Bonds on the next Interest Payment Date and the pro-rata amount of the principal falling due on the Bonds and any Additional Parity Bonds on the next Principal Payment Date, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. The Parish shall transfer or cause to be transferred from the Debt Service Fund to the paying agent(s) for all bonds payable from the Debt Service Fund, at least one (1) day in advance of the date on which payment of principal or interest falls due, immediately available funds fully sufficient to pay promptly the principal and interest so falling due on such date.

If Additional Parity Bonds are hereinafter issued by the Parish in the manner provided in this Bond Resolution, moneys in the Debt Service Fund shall be equally available to pay principal and interest on such Additional Parity Bonds, and payments into the Debt Service Fund shall be increased as provided in the resolution authorizing the issuance of such Additional Parity Bonds. Said fiscal agent bank shall transfer from the Debt Service Fund to any paying agent or pay directly to the owner, for all bonds payable from the said Debt Service Fund, at least three (3) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and/or interest so falling due on such date; except, if payment is made by electronic debit,



then such payment shall be made no later than 11:00 a.m. Louisiana time on the day such payment is due.

- (c) The establishment and maintenance of the "Sewer Revenue Bond Reserve Fund" (the "Reserve Fund"), containing an account for the Bonds designated the "Series 2023 Account" (or such other designation that will identify such account with the Bonds) which shall be funded monthly in advance on or before the 20th day of each month of each year, commencing with the month following the delivery of the Bonds, with a sum at least equal to at least twenty five percent (25%) of the amount to be paid into the Debt Service Fund with respect to the Bonds, the payments into the Series 2023 Account to continue until such time as there has been accumulated in the Series 2023 Account a sum equal to the Reserve Fund Requirement, as defined above. Moneys in the Series 2023 Account shall be used to secure and make payments solely on the Bonds (and not on any other issues) as to which there would otherwise be default.

In the event that Additional Parity Bonds are issued, then the Parish may establish additional accounts for each such series of Additional Parity Bonds if required in connection with the issuance of such Additional Parity Bonds, each such account to be designated as the "Series (insert series designation) Account." The money in the accounts of the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the respective series of bonds payable from the Debt Service Fund as to which there would otherwise be default (initially the Bonds). With respect to accounts that may be required in connection with the issuance of Additional Parity Bonds, the Parish shall fund such accounts by transferring from the proceeds of such series or from the Revenue Fund (after making all required payments from said fund as hereinabove described), such amounts as will increase the total amount on deposit in each account in the Reserve Fund to a sum equal to the reserve fund requirement, if any, designated and established for such series of Additional Parity Bonds.

- (d) The establishment and maintenance of the "Sewer Revenue Bond Depreciation and Contingencies Fund" (the "Contingencies Fund") to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from funds in the Revenue Fund after making the payments required by (a), (b) and (c) above to the Contingencies Fund monthly on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b) and (c) above. Such payments into the Contingencies Fund shall continue

until such time as there has been accumulated in the Contingencies Fund the sum of Fifty Thousand Dollars (\$50,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of Fifty Thousand Dollars (\$50,000), in which event such payments shall be resumed and continue until said maximum amount is again accumulated. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingencies Fund may also be used to pay the principal of and the interest on the Bonds for the payment of which there is not sufficient money in the Debt Service Fund and Reserve Fund described in paragraphs (b) and (c) above.

Any moneys remaining in the Revenue Fund on the 25th day of each month after making the required payments described in (a), (b), (c) and (d) above for the current month and for prior months during which the required payments may not have been made, shall be considered as surplus. Such surplus may be used by the Parish for any lawful purpose, including retiring Bonds in advance of their maturities, either by purchase of Bonds then outstanding at prices not greater than the prepayment prices of said Bonds, or by prepaying such Bonds at the prices and in the manner set forth in this Bond Resolution.

SECTION 15. Replenishment of Funds. If at any time it shall be necessary to use moneys in any account of the Reserve Fund, if any, or the Contingencies Fund for the purpose of paying principal of or interest on bonds payable from the Debt Service Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues of the System first thereafter received, not hereinabove required to be used for the purposes described in (a) and (b) of Section 14 above. If at any time there are sufficient moneys on deposit in the Debt Service Fund, Reserve Fund and Contingencies Fund to retire all outstanding bonds payable from the Debt Service Fund by defeasance, by exercising the prepayment option provided by such bonds or by purchase on the open market, the Parish may utilize such funds for such purpose. If more than one account of the Reserve Fund is required to be replenished, then such replenishment shall be made ratably to each such account in proportion to the remaining amount that is required to be so replenished.

SECTION 16. Notification of Deficiencies. As required by La. R.S. 39:510 the Parish will notify the State Bond Commission in writing, whenever (i) any required deposit to the Debt Service Fund has not been made within five business days of when due or (ii) the principal, interest, premium, or any other payment due on the Bonds (including the Administrative Fee) has not been made within five business days of when due.

SECTION 17. Investments. All or any part of the moneys in the Revenue Fund and the Debt Service Fund shall at the written request of the Governing Authority be invested in Qualified Investments and all of the moneys in the Reserve Fund shall be invested in Government Securities maturing in five (5) years or less, in which event all income derived from such investments shall be added to the Revenue Fund, with the exception that any interest earnings from invested funds of the Reserve Fund shall be retained therein until an amount equal to the Reserve Fund Requirement is on deposit therein, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the respective fund has been created.

SECTION 18. Rate Covenant. The Parish, through its Governing Authority, by proper resolutions and/or ordinances, hereby covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest maturing on the Bonds in each year, all reserves or sinking funds or other payments required for such year by this Bond Resolution, and all other obligations or indebtedness payable out of the revenues of the System for such year, and which will provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 125% of the largest amount of principal and interest due in any future Bond Year on the Bonds and on any Additional Parity Bonds hereafter issued as provided herein.

SECTION 19. Schedule of Rates and Charges. The Parish may alter, amend or repeal from time to time any resolutions or ordinances establishing a schedule of rates and charges for the services and facilities to be rendered by the System, said alterations, amendments or repeals to be conditioned upon the preservation of the rights of the Owners with respect to the income and revenues of the System, not alone for the payment of the principal of and the interest on the Bonds, but to ensure that the income and revenues of the System shall be sufficient at all times to fulfill the other provisions specified in Section 14 hereof. No discrimination shall be made as to rates and charges for the services and facilities of the System as between users of the same type or class.

The Parish shall fix and maintain rates and collect charges for all services and facilities to be rendered by the System, irrespective of the user thereof, and no free services or facilities shall be furnished to any person, association of persons, or corporation, public or private, or even to the Parish itself.

The Parish further agrees that the failure of any individual, partnership, corporation or other entity to pay said charge for any service rendered by the System within fifteen (15) days of the date on which it is due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is

not paid within fifteen (15) days from the date on which it became delinquent, the Parish will take steps to cause water service to be shut off to the affected premises; and that the Parish and this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for service shall on the date of delinquency have added thereto a penalty in such amount as may be determined by this Governing Authority, and the amount so due, including the penalty charge, may, in the discretion of this Governing Authority, after ten (10) days from the date of the delinquency, bear interest at a reasonable rate to be established by the Governing Authority, which rate shall not be less than six per centum (6%) per annum. If services are discontinued as above provided, the customer shall, in addition to paying the delinquent charges, penalties and interest, pay as a condition precedent to the resumption of service a reasonable reconnection charge.

It is further understood and agreed that the schedule of rates, fees, rents and other charges being charged as of the date of the adoption of this Bond Resolution for services and facilities rendered by the System shall remain in effect and neither said existing schedule nor any subsequent schedule shall be reduced at any time unless all payments required for all funds by this Bond Resolution, including any deficiencies for prior payments, have been fully made, and unless such schedule as so reduced will in each year thereafter produce sufficient revenues to meet and fulfill the other provisions stated and specified in Section 14 of this Bond Resolution.

SECTION 20. Issuance of Refunding and Additional Parity Bonds. All of the Bonds issued hereunder shall enjoy complete parity of lien on the Net Revenues and moneys in the Debt Service Fund, despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Parish, acting through the Governing Authority, hereby covenants that it will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues or moneys in the Debt Service Fund or any account in the Reserve Fund having priority over or parity with the Bonds, except that Additional Parity Bonds may hereafter be issued on a parity with the Bonds under the following conditions:

- (a) The Bonds, or any part thereof, including interest, may be prepaid, and the refunding bonds so issued shall enjoy complete equality of lien with the portion of Bonds which is not prepaid, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds prepaid; provided, however, that if only a portion of the Bonds outstanding is so prepaid and the refunding bonds require total principal and interest payments during any Bond Year in excess of the principal and interest which would have been required in such year to pay the Bonds prepaid thereby, then such Bonds may not be refunded without the consent of the owners of the unpaid

portion of the Bonds (provided that such consent shall not be required if the refunding bonds meet the requirements of (b) below instead).

- (b) Additional Parity Bonds may also be issued on a parity with the Bonds if all of the following conditions are met:
- (i) The average Net Revenues for the two (2) completed Fiscal Years immediately preceding the issuance of such Additional Parity Bonds is equal to at least one hundred twenty-five percent (125%) of the highest combined principal and interest requirements in any succeeding Fiscal Year on the Bonds and the proposed Additional Parity Bonds, and any other bonds then outstanding which are payable from the Net Revenues of the System (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the Additional Parity Bonds so proposed to be issued. In making the calculation required by this subparagraph (b)(i), if the Parish has adopted higher rates for services of the System on or before the date of issuance of the Additional Parity Bonds, then the calculation of average annual Net Revenues for the previous two completed Fiscal Years may be made assuming such higher rates had been in effect during such period.
  - (ii) There must be no delinquencies in the payments required to be made into the various funds provided in Section 14 hereof.
  - (iii) The existence of the facts required by paragraphs (i) and (ii) above must be determined and certified to by the Administrator of the Governing Authority, or by an independent firm of certified public accountants which has previously audited the books of the Parish.
  - (iv) The proceeds of the Additional Parity Bonds must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System, or for refunding prior bonds issued for such purposes.
  - (v) If required in connection with the issuance of the Additional Parity Bonds, the Parish shall make provisions in the resolution(s) authorizing such Additional Parity Bonds for the establishment and funding of a separate account(s) in the Reserve Fund with respect to such Additional Parity Bonds in accordance with Section 14(c) above.

- (vi) No Additional Parity Bonds may be issued should any event of default under this Bond Resolution have occurred and be continuing.
- (vii) The Additional Parity Bonds shall be payable annually as to principal on the same Principal Payment Date as the Bonds and payable as to interest semi-annually on the same Interest Payment Dates as the Bonds, or shall be payable in monthly installments of both principal and interest.

SECTION 21. Rights of Bondholders; Appointment of Receiver in Event of Default. The Owners from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State of Louisiana. Any Owners or any trustee acting for such Owners in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Louisiana, or granted and contained in this Bond Resolution, and may enforce and compel the performance of all duties required by this Bond Resolution, or by any applicable statutes to be performed by the Parish or by any agency, board or officer thereof, including the fixing, charging and collecting of rentals, fees or other charges for the use of the System and in general to take any action necessary to most effectively protect the right of the Owners.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds as the same shall become due, or in the making of the payments into any of the funds or accounts described in Section 14 above, or any other payments required to be made by this Bond Resolution, or in the event that the Parish or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Bond Resolution or shall default in any covenant made herein, and in the further event that any such default shall continue for a period of thirty (30) days after written notice, any Owner of such Bonds or any trustee appointed to represent such Owners as hereinafter provided, shall be entitled to the appointment of a receiver of the System in an appropriate judicial proceeding in a court of competent jurisdiction.

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



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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Parish and for the joint protection and benefit of the Parish and the Owners. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any property of any kind or character belonging or pertaining to the System but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Parish and the Owners and the curing and making good of any default under the provisions of this Bond Resolution, and the title to and the ownership of the System shall remain in the Parish, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any property of the System except with the consent of the Parish and in such manner as the court shall direct.

The Owner or Owners in an aggregate principal amount of not less than twenty-five percent (25%) of the Bonds then outstanding may by a duly executed certificate appoint a trustee for the Owners with authority to represent such Owners in any legal proceedings for the enforcement and protection of the rights of such Owners. Such certificate shall be executed by such Owners, or by their duly authorized attorneys or representatives, and shall be filed in the office of the Secretary-Treasurer of the Parish.

UNTIL AN EVENT OF DEFAULT SHALL HAVE OCCURRED, THE PARISH SHALL RETAIN FULL POSSESSION AND CONTROL OF THE SYSTEM WITH FULL RIGHT TO MANAGE, OPERATE AND USE THE SAME AND EVERY PART THEREOF WITH THE RIGHTS APPERTAINING THERETO, AND TO COLLECT AND RECEIVE AND, SUBJECT TO THE PROVISIONS OF THIS BOND RESOLUTION, TO TAKE, USE AND ENJOY AND DISTRIBUTE



THE EARNINGS, INCOME, RENT, ISSUE AND PROFITS ACCRUING ON OR DERIVABLE FROM THE SYSTEM.

SECTION 22. Specific Covenants. The Parish does hereby covenant, so long as any of the Bonds are outstanding and unpaid in principal and/or interest:

(a) That it is or will be lawfully seized and possessed of the System, that it has a legal right to pledge the income and revenues of the System as herein provided, and that the Bonds will have a lien and privilege on said income and revenues, subject only to the prior payment of all reasonable and necessary expenses of operating and maintaining the System.

(b) That it will at all times maintain the System in first-class repair and working order and condition.

(c) That it will carry full coverage of insurance on the System at all times against those risks and in those amounts normally carried by privately owned public utility companies engaged in the operation of such utilities. Said policies of insurance shall be issued by a responsible insurance company or companies duly licensed to do business under the laws of the State of Louisiana. In case of loss, any insurance money received by the Parish shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed.

(d) That it will not sell, lease or in any manner dispose of the System or any substantial part thereof, provided that the Parish may dispose of property which in its judgment is worn-out, unserviceable, unsuitable, or unnecessary in the operation of the System, when other property of equal value is substituted therefor, or the proceeds derived from the disposal of such property are used for constructing and acquiring extensions and improvements to the System or repairing the System.

(e) That except as provided in Section 20 hereof, it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance, or any other charges having priority over or parity with the lien of the Bonds upon the income and revenues of the System pledged as security therefor.

(f) That, to the extent permitted by law, it will not grant a franchise to any other company or organization for operation within the boundaries of the Parish which would render services or facilities in competition with the System, and will oppose the granting of such franchise by any other public body having jurisdiction over such matters.

SECTION 23. Audit Requirements. The Parish will establish and maintain adequate financial records as required by the laws of the State of Louisiana governing

financial record-keeping by political subdivisions and in accordance with generally accepted accounting principles ("GAAP") and will make these and the following records and reports available to the Owners or their authorized representatives upon request.

The Parish will cause an audit of its financial statements to be made by an independent firm of certified public accountants in accordance with the requirements of Chapter 8 of Title 24 of the Louisiana Revised Statutes of 1950, as amended, and for so long as the Department owns the Bonds, or any part thereof, in accordance with the requirements of the Single Audit Act Amendments of 1996 and OMB's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200, Subpart F), and Section 66.458 of the Catalog of Federal Domestic Assistance (CFDA #66.458 - Capitalization Grants for State Revolving Funds), if applicable. Upon completion, the Parish shall file a copy of such audited financial statements with any Owner requesting same.

SECTION 24. Fidelity Bonds for Officers and Employees. So long as any of the Bonds are outstanding and unpaid, the Parish shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the collection of user fees, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Parish from loss.

SECTION 25. Retention and Duties of Consulting Engineer in Event of Failure to Make Required Payments. The Parish covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System to make the required monthly payments into the funds established by Section 14 hereof, it will retain a Consulting Engineer on a continuous basis until all defaults are cured, for the purpose of providing for the Parish continuous engineering counsel in the operation of its System. Such Consulting Engineer shall be retained under contract at such reasonable compensation as may be fixed by this Governing Authority, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Consulting Engineer appointed under the provisions of this Section may be replaced at any time by another Consulting Engineer appointed or retained by the Parish, with the consent and approval of the Owners.

The Consulting Engineer shall prepare within ninety (90) days after the close of each Fiscal Year a comprehensive operating report, which report shall contain therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year prepared by the Parish's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System; the property and adequate keeping of books of record and account, the adherence to budget and budgetary control provisions, the adherence to the provisions of this Bond Resolution and all other things having a bearing upon the efficient and profitable

operation of the System, and shall include whatever criticism of any phase of the operation of the System the Consulting Engineer may deem proper, and such recommendations as to changes in operations and the making of repairs, renewals, replacements, extensions, betterments and improvements as the Consulting Engineer may deem proper. Copies of such report shall be placed on file with the Administrator of this Governing Authority and sent to the Owner, and shall be open to inspection by any Owners. It shall be the duty of the Consulting Engineer to pass upon the economic soundness or feasibility of any extensions, betterments, improvements, expenditures or purchases of equipment and materials or supplies, which will involve the expenditure of more than Ten Thousand Dollars (\$10,000), whether in one or more than one order, and whether authorized by a budget or not, and the Consulting Engineer shall devise and prescribe form or forms wherein shall be set forth his or its approval in certificate form, copies of which shall be filed with the Administrator of the Governing Authority.

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

It shall be the duty of the Consulting Engineer to prescribe a system of budgetary control along with forms for exercising of such control which shall be utilized by the manager or superintendent of the System and his staff and the manager or superintendent shall cause to prepare monthly reports not later than the twentieth (20th) day of each month, for the preceding months business and operation of the System, which reports shall be submitted to the Consulting Engineer, who shall prepare an analysis of each such report, which analysis shall be filed monthly as expeditiously as possible with the chief financial officer of the Parish, the President and the Administrator of the Governing Authority and with the Owner or Owners.

In the event this Governing Authority shall fail to select and retain a Consulting Engineer in accordance with the first paragraph of this Section within thirty (30) days after the occurrence of the conditions prescribed thereby, then upon the petition of the

Owners of the twenty-five percent (25%) of the aggregate principal amount of the Bonds then outstanding, this Governing Authority shall select and retain such Consulting Engineer as is named in the petition of said Owners.

THE PROVISIONS OF THIS SECTION SHALL APPLY ONLY DURING ANY PERIOD WHEN THE PARISH MAY BE IN DEFAULT IN MAKING REQUIRED PAYMENTS INTO THE FUNDS REQUIRED BY SECTION 14 OF THIS BOND RESOLUTION.

SECTION 26. Discharge of Bond Resolution. If the Parish shall pay or cause to be paid, or there shall be paid to the Owners, the principal (and prepayment price) of and interest on the Bonds, at the times and in the manner stipulated in this Bond Resolution are paid in full for all amounts due and owing, then the pledge of the Net Revenues or any other money, securities, and funds pledged under this Bond Resolution and all covenants, agreements, and other obligations of the Parish to the Owners shall thereupon cease, terminate, and become void and be discharged and satisfied.

SECTION 27. Defeasance. Bonds or interest installments for the payment or prepayment of which money shall have been set aside and shall be held in trust (through deposit by the Parish of funds for such payment or prepayment or otherwise) at the maturity or prepayment date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section, if they have been defeased pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

SECTION 28. Cancellation of Bonds. All Bonds paid or prepaid either at or before maturity, together with all bonds purchased by the Parish, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the chief financial officer of the Parish an appropriate certificate of cancellation.

SECTION 29. Lost, Destroyed or Improperly Cancelled Bonds. Lost, destroyed or improperly cancelled Bonds may be replaced in the manner set forth in La. R.S. 39:515. In case any such lost, destroyed or improperly cancelled Bond has become or is about to become due and payable, the Parish in its discretion may, instead of issuing a new Bond, pay such Bond.

SECTION 30. Successor Paying Agent; Paying Agent Agreement. The Parish will at all times maintain a Paying Agent for the performance of the duties hereunder for the Bonds. The designation of the initial Paying Agent in this Bond Resolution is hereby confirmed and approved. The Parish reserves the right to appoint a successor Paying Agent by (a) filing with the Person then performing such function a certified copy of a resolution or ordinance giving notice of the termination and appointing a successor and (b) causing notice to be given to each Owner. Every successor Paying Agent appointed hereunder shall at all times be an officer of the Parish or a bank or trust company

organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority. The Authorized Officers are hereby authorized and directed to execute an appropriate agreement with the Paying Agent for and on behalf of the Parish in such form as may be satisfactory to said officers, the signatures of said officers on such Agreement to be conclusive evidence of the due exercise of the authority granted hereunder. No resignation or removal of the Paying Agent shall become effective until a successor has been appointed and has accepted the duties of Paying Agent.

SECTION 31. Notices to Owners. Wherever this Bond Resolution provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register. In any case where notice to Owners is given by mail, neither the failure to mail such notice to any particular Owner, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Bond Resolution provides for notice in any manner, such notice may be waived in writing by the Owner entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Paying Agent, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 32. Publication; Peremption. This Bond Resolution shall be published once in the official journal of the Parish or in a newspaper having general circulation in the Parish. Exhibits to this Bond Resolution need not be published if the exhibits are enumerated in the publication and it is stated in the publication that such exhibits are available for public inspection at the office of the Governing Authority during regular business hours. For thirty days after the date of publication, any person in interest may contest the legality of this Bond Resolution and of any provision herein made for the security and payment of the Bonds. After that time, no one shall have any cause of action to test the regularity, formality, legality, or effectiveness of this Bond Resolution, and provisions hereof for any cause whatever. Thereafter, it shall be conclusively presumed that every legal requirement for the issuance of the Bonds, has been complied with. No court shall have authority to inquire into any of these matters after the thirty days.

SECTION 33. Disclosure Under SEC Rule 15c2-12. The Parish is not required at this time to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR 240.15c2-12(b)].

SECTION 34. Severability. In case any one or more of the provisions of this Bond Resolution or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Resolution or of the Bonds, but this Bond Resolution and the Bonds shall be

construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Resolution which validates or makes legal any provision of this Bond Resolution or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Bond Resolution and to the Bonds.

SECTION 35. Section Headings. The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

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

MEMBERS:	YEAS:	NAYS:	ABSENT:	ABSTAIN:
Theresa Wyatt	_____	_____	_____	_____
Hazel D. Hunter	_____	_____	_____	_____
Richard I. Durrett	_____	_____	_____	_____
T.J. Cranford	_____	_____	_____	_____
Logan Hunt	_____	_____	_____	_____
Glenn Scriber	_____	_____	_____	_____
Matt Pullin	_____	_____	_____	_____
R.G. "Skip" Russell	_____	_____	_____	_____
Joe Henderson	_____	_____	_____	_____
Milton Melton	_____	_____	_____	_____
Sharyon Mayfield	_____	_____	_____	_____
Annette Straughter	_____	_____	_____	_____

And the resolution was declared adopted on this, the 13th day of June, 2023.

Courtney Hall

Richard I. Durrett

\_\_\_\_\_  
Interim Parish Administrator

\_\_\_\_\_  
President, Police Jury



[FORM OF BOND]

**INTEREST ON THIS BOND WILL BE INCLUDED IN GROSS INCOME  
FOR FEDERAL INCOME TAX PURPOSES AND IS NOT  
EXEMPT FROM FEDERAL INCOME TAXATION.**

**UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF LINCOLN**

**TAXABLE SEWER REVENUE BOND, SERIES 2023  
OF THE  
PARISH OF LINCOLN, STATE OF LOUISIANA**

<u>Bond Number</u>	<u>Bond Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
R-1	_____, 2023	0.45%	\$950,000

FOR VALUE RECEIVED, the Parish of Lincoln, State of Louisiana (the "Parish"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: Department of Environmental Quality (the "Department")  
Attn: Financial Services Division, Accounts Receivable  
P. O. Box 4311  
Baton Rouge, Louisiana 70821-4311

or registered assigns noted on the registration record attached hereto, the Principal Amount set forth above (unless a lower Principal Amount applies, as set forth below), together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, unless this Bond shall have been previously called for prepayment and payment shall have been duly made or provided for.

This Bond shall bear interest, payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2024 (each, an "Interest Payment Date"), at the Interest Rate shown above, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on this Bond on any Interest Payment Date shall be payable only on the aggregate outstanding amount of the purchase price which shall have been paid theretofore (and, to the extent, if any, such purchase price has not been forgiven by the Department), as noted on Schedule A hereto, and shall accrue with respect to each purchase price installment only from the date of payment of such installment.



If the Department is the registered owner of this Bond, the Parish will additionally pay an Administrative Fee to the Department at the annual rate of one-half of one percent (0.50%) on the outstanding principal amount of the Bond, payable on each Interest Payment Date. In the event (i) the Department owns this Bond or the Department has pledged or assigned this Bond in connection with its Clean Water State Revolving Fund Program and (ii) the Administrative Fee payable to the Department is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, then the "Interest Rate" shown above and borne by this Bond shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

This Bond shall mature in twenty (20) installments of principal, payable annually on each August 1, and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest One Thousand Dollars (\$1,000), of the outstanding principal amount of this Bond on the day before the applicable Principal Payment Date:

<u>Date</u> <u>(August 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(August 1)</u>	<u>Percentage</u> <u>of Principal</u>
2025	4.564%	2035	9.580%
2026	4.827	2036	10.696
2027	5.120	2037	12.090
2028	5.448	2038	13.884
2029	5.817	2039	16.275
2030	6.235	2040	19.624
2031	6.712	2041	24.647
2032	7.264	2042	33.019
2033	7.907	2043	49.764
2034	8.667	2044	100.000

In the event that the Completion Date of the Project being financed with this Bond is on or after August 1, 2025, the principal payment schedule set forth above may be adjusted so that each payment shall be due on the August 1 that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the Delivery Date.

The principal and interest on this Bond shall be payable by check mailed to the registered owner of this Bond (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent (hereinafter defined) for such purpose, provided that payment of the final installment of principal on this Bond shall be made only upon presentation and surrender of this Bond to the Paying Agent.

The principal installments of this Bond are subject to prepayment at the option of the Parish at any time, in whole or in part, at a prepayment price of par plus accrued

interest and accrued Administrative Fee, if any, to the prepayment date. In such case, the remaining principal shall continue to mature in annual installments calculated using the percentages shown above.

In the event a portion of this Bond is to be prepaid, this Bond shall be surrendered to the Administrator of the Governing Authority of the Parish, as initial Paying Agent for the Bonds (the "Paying Agent"), who shall note the amount of such prepayment in the space provided therefor on the schedule attached to this Bond. Official notice of such call of this Bond for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the registered owner of this Bond to be prepaid at his address as shown on the registration books of the Paying Agent, which notice may be waived by any registered owner. The Parish shall cause to be kept at the office of the Paying Agent a register in which registration of this Bond and of transfer of this Bond shall be made as provided herein and in the Bond Resolution (hereinafter defined). This Bond may be transferred, registered and assigned only on such registration records of the Paying Agent, and such registration shall be at the expense of the Parish.

This Bond represents the entire issue of bonds of the Parish designated "Taxable Sewer Revenue Bonds, Series 2023" aggregating in principal the sum of not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000) (the "Bonds"), having been issued by the Parish pursuant to a resolution adopted by its governing authority on June 13, 2023 (the "Bond Resolution"), for the purpose of constructing and acquiring improvements and replacements to the Parish's wastewater system, including equipment and fixtures thereto (the "Project"), and for paying costs of issuance, under the authority conferred by Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority supplemental thereto, pursuant to all requirements therein specified.

This Bond is secured by and payable as to principal and interest solely from the income and revenues derived or to be derived from the operation of the wastewater collection, treatment and disposal system of the Parish (the "System"), after provision has been made for payment therefrom of the reasonable and necessary expenses of administering, operating and maintaining the System. Neither this Bond nor the debt it represents constitutes an indebtedness or pledge of the general credit of the Parish, within the meaning of any constitutional or statutory limitation of indebtedness.

The Parish has obligated itself pursuant to the Bond Resolution and by this Bond declares that all of the income and revenues to be derived from the operation of the System shall be deposited promptly as the same may be collected in a separate and special bank account known and designated as the "Sewer System Revenue Fund." The Parish has duly covenanted and obligated itself pursuant to the Bond Resolution and by this Bond declares that it will fix and maintain rates and collect charges for all services and facilities to be rendered by the System sufficient to provide for the payment of the

reasonable and necessary expenses of operating and maintaining the System, to provide for the payment of principal and interest falling due on this Bond and all other obligations or indebtedness payable out of the revenues of the System, to provide a reserve for the payment of principal and interest on this Bond and to provide a reasonable depreciation and contingency fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System.

For a complete statement of the manner in which said fund shall be maintained and administered, the provisions for payment of this Bond and the general covenants and provisions governing the issuance of this Bond, reference is hereby made to the Bond Resolution.

It is certified that this indebtedness is authorized by and is issued in conformity with the requirements of the Constitution and statutes of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond necessary to constitute the same a legal, binding and valid obligation of the Parish have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Parish, including this Bond, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that this Bond shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof.

IN WITNESS WHEREOF, the Police Jury of the Parish of Lincoln, State of Louisiana, acting as the governing authority of the Parish, has caused this Bond to be signed by its President and attested by its Administrator, the corporate seal of the Parish to be hereon impressed and this Bond to be dated as of the Dated Date set forth above.

PARISH OF LINCOLN, STATE OF  
LOUISIANA

ATTEST:

By: \_\_\_\_\_ (manual)  
President, Police Jury

By: \_\_\_\_\_ (manual) (SEAL)  
Parish Administrator

\* \* \* \* \*

**REGISTRATION RECORD**

**TAXABLE SEWER REVENUE BOND, SERIES 2023  
OF THE  
PARISH OF LINCOLN, STATE OF LOUISIANA**

Name and Address Of Registered Owner	Date of Registration	Signature of Parish Administrator As Paying Agent
Department of Environmental Quality Clean Water State Revolving Fund P.O. Box 4311 Baton Rouge, La. 70821-4311		

**SCHEDULE OF PREPAYMENTS**

**TAXABLE SEWER REVENUE BOND, SERIES 2023  
OF THE  
PARISH OF LINCOLN, STATE OF LOUISIANA**

Prepayment Date	Prepayment Amount	Remaining Balance Due

**SCHEDULE OF PRINCIPAL DRAWS AND PRINCIPAL BALANCE**

**TAXABLE SEWER REVENUE BOND, SERIES 2023**

**OF THE**

**PARISH OF LINCOLN, STATE OF LOUISIANA**

Date: \_\_\_\_\_ Draw Number: \_\_\_\_\_

Principal Draw Paid to Parish this Date: \$ \_\_\_\_\_

Amount of Principal Forgiveness this Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Draws Paid to Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Forgiveness to Date: \$ \_\_\_\_\_

Outstanding Balance of Principal \$ \_\_\_\_\_

Signature of Authorized Officer of Department: \_\_\_\_\_

Date: \_\_\_\_\_ Draw Number: \_\_\_\_\_

Principal Draw Paid to Parish this Date: \$ \_\_\_\_\_

Amount of Principal Forgiveness this Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Draws Paid to Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Forgiveness to Date: \$ \_\_\_\_\_

Outstanding Balance of Principal \$ \_\_\_\_\_

Signature of Authorized Officer of Department: \_\_\_\_\_

Date: \_\_\_\_\_ Draw Number: \_\_\_\_\_

Principal Draw Paid to Parish this Date: \$ \_\_\_\_\_

Amount of Principal Forgiveness this Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Draws Paid to Date: \$ \_\_\_\_\_

Cumulative Amount of Principal Forgiveness to Date: \$ \_\_\_\_\_

Outstanding Balance of Principal \$ \_\_\_\_\_

Signature of Authorized Officer of Department: \_\_\_\_\_

[ADDITIONAL DRAWDOWN PAGES TO BE ADDED AS NECESSARY]

STATE OF LOUISIANA

PARISH OF LINCOLN

I, the undersigned Interim Parish Administrator of the Parish of Lincoln, State of Louisiana (the "Parish"), do hereby certify that the foregoing pages constitute a true and correct copy of proceedings adopted by the Police Jury of the Parish on June 13, 2023, authorizing the issuance by the Parish of its Taxable Sewer Revenue Bonds, Series 2023, in an amount not to exceed Nine Hundred Fifty Thousand Dollars (\$950,000); and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature on this 13th day of June, 2023.

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Interim Parish Administrator