



COMMITTEE MEETING

September 17, 2024 at 5:20 PM

Council Meeting Room, 101 North State Street,
Abbeville, Louisiana 70510

AGENDA

NOTICE POSTED: September 16, 2024 at 4:00 P.M.

To allow a public comment period on any agenda item prior to action.

Ordinance Committee - Chaired by Councilman Tony Hardy.

1. To consider a proposed ordinance to amend Section 2-111 dealing with workplace harassment to include other forms of harassment.
2. To consider an ordinance providing for the incurring of debt and issuance of a Bond Anticipation Note of the City of Abbeville, State of Louisiana in an amount not to exceed \$5,900,000, and providing for other matters in connection therewith.
3. To consider an ordinance authorizing the issuance by the City of Abbeville, State of Louisiana, of its Taxable Utilities Revenue Bonds (LDH), in an amount not to exceed \$5,900,000, authorizing the execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Health, and providing for other matters in connection therewith.

In accordance with the Americans with Disabilities Act,
if you need special assistance, please contact
Mayor Roslyn White's office at 337-893-8550,
describing the assistance that is necessary.

Livestream at: <https://www.youtube.com/@CityofAbbevilleLA>

The following ordinance having been introduced at a duly convened meeting on _____, 2024, and notice of its introduction having been published in the official journal and a public hearing having been held in connection therewith on this date, was offered for final adoption by _____ and seconded by _____:

WHEREAS, Article VII, Division 1, Section 2-111(a) of the City of Abbeville Code of Ordinances establishes the regulations for workplace harassment for the employees of the City of Abbeville.

WHEREAS, the City Council does hereby determine that it is in the best interest of the City to amend this ordinance as detailed below.

BE IT ORDAINED by the City Council of the City of Abbeville (the “Governing Authority”), acting as the governing authority of the City of Abbeville, State of Louisiana, that Article VII, Division 1, Section 2-111(a) of the City of Abbeville Code of Ordinances be, and the same is hereby amended as follows:

Sec 2-111 Workplace Harassment Policy

- (a.) (i) The City of Abbeville strictly prohibits harassment in the workplace, in any form regardless of its nature. This covers any form of harassment, including bullying, intimidation, physical, verbal, suggestive, written, printed, or inappropriately displayed behavior or images. This includes, but is not limited to, attire, social media posts, jokes, gestures, comments, epithets, slurs, or negative stereotypes. These are, without limitation, examples of actions that may constitute harassment and are prohibited by this policy. These actions may result in discipline, including termination.
- (ii) Written materials in the workplace exhibiting hostility, uncourteous unprofessional communications toward an employee because of the employee’s race, color, religion, gender national origin, age, disability, or any other conduct suggesting hateful or offensive behavior goes against our values at the City of Abbeville and will not be accepted.
- (iii) City of Abbeville employees are not allowed to initiate, showcase or engage in offensive content while at work. The City of Abbeville’s policy is to show respect and courteous professionalism towards each other. Employees who threaten, intimidate, incite violence to another employee, has disruptive behavior which results in harassment will not be tolerated. The City of Abbeville will ensure all employees have a secure and encouraging, respectful work environment free from any form of harassment. All City of Abbeville employees are responsible for their actions, both on and off duty, if those actions could imply harassment towards a City of Abbeville employee.
- (iv) It is the policy of the City of Abbeville to provide a work environment free from unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct and/or communication which may constitute sexual harassment. The purpose of this policy is to establish, clearly and unequivocally, that the City of Abbeville prohibits sexual harassment by and of its employees. Sexual harassment is prohibited by Title VII of the Civil Rights Act of 1964. The Equal Employment Opportunity Commission has defined sexual harassment as:

“Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when the submission to the rejection of this conduct explicitly or implicitly affects and individual’s employment, unreasonably interferes with an individual’s work performance or creates an intimidating, hostile or offensive work environment.”

Effective Date. This Ordinance shall become effective upon execution by the Mayor.

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

YEAS:

NAYS:

ABSENT:

And the ordinance was declared adopted on this _____ day of _____, 2024.

Kathleen Faulk, Clerk

Roslyn R. White, Mayor

The following ordinance having been introduced at a meeting held on September 17, 2024, notice of its introduction having been published in the official journal and a public hearing having been held thereon on this date, was offered for final adoption by _____ and seconded by _____:

ORDINANCE

An ordinance providing for the incurring of debt and issuance of a Bond Anticipation Note of the City of Abbeville, State of Louisiana in an amount not to exceed \$5,900,000, and providing for other matters in connection therewith.

WHEREAS, the City of Abbeville, State of Louisiana (the "**City**"), now owns and operates a waterworks system and electric system as revenue producing public utilities (collectively, the "**System**"); and

WHEREAS, 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 (the "**Act**"), authorizes public entities to issue Bond Anticipation Notes in anticipation of proceeds of bonds to be issued by said public entity; and

WHEREAS, the City now desires to incur debt and issue its Bond Anticipation Note, in the maximum principal amount of Five Million Nine Hundred Thousand Dollars (\$5,900,000) (the "**Note**"), pursuant to the Act, for the purpose of providing interim financing during the constructing and acquiring of improvements, extensions, and replacements to the waterworks component of the System, including equipment and fixtures therefor (the "**Project**"), pursuant to the authority of the Act; and

WHEREAS, the Note shall be secured by and payable from the proceeds of the not exceeding \$5,900,000 of Taxable Utilities Revenue Bonds of the City (the "**Bonds**"), and the income and revenues derived or to be derived from the operation of the System, after provision has been made for payment therefrom of all reasonable and necessary expenses of operating and maintaining the System (the "**Net Revenues**"); and

WHEREAS, it is the desire of the City to fix the details necessary with respect to the issuance of the Note and to provide for the authorization and issuance thereof.

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

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

"**Act**" has the same meaning given such term in the preamble hereto.

"**Agreement**" means the agreement to be entered into between the City and the Paying Agent pursuant to this Note Ordinance, if required.

"**Bonds**" has the same meaning given such term in the preamble hereto.

"**City**" has the same meaning given such term in the preamble hereto.

"**Executive Officers**" means the Mayor and the Secretary-Treasurer of the City.

"**Governing Authority**" means the City Council of the City of Abbeville, State of Louisiana.

"**Interest Payment Date**" means April 1 and October 1 of each year in which the Note is Outstanding, commencing April 1, 2025, or such other dates as may be set forth in the Note.

"**Net Revenues**" has the same meaning given such term in the preamble hereto.

"**Note**" has the same meaning given such term in the preamble hereto.

"**Note Register**" means the records kept by the Paying Agent at its designated office in which registration and transfers of the Note shall be made as provided herein.

"**Note Ordinance**" means this Ordinance authorizing the issuance of the Note, as it may be supplemented and amended.

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

1. Any Note theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
2. Any Note or portion thereof for which payment sufficient funds have been theretofore paid to or deposited in trust for the owners of such Note;
3. Any Note in exchange for or in lieu of which other Note has been registered and delivered pursuant to this Note Ordinance; and
4. Any Note alleged to have been mutilated, destroyed, lost or stolen which has been paid as provided in this Note Ordinance or by law.

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

"**Paying Agent**" means Gulf Coast Bank, of Abbeville, Louisiana, unless a successor Paying Agent shall have been appointed pursuant to the applicable provisions of this Note Ordinance, and thereafter "Paying Agent" shall mean such successor Paying Agent.

"**Project**" has the same meaning given such term in the preamble hereto.

"**Purchaser**" means Gulf Coast Bank, of Abbeville, Louisiana, the original owner of the Note.

"**System**" has the same meaning given such term in the preamble hereto.

SECTION 2. **Authorization of Note; Maturity.** In compliance with the terms and provisions of the Act, there is hereby authorized the incurring of an indebtedness of Five Million Nine Hundred

Thousand Dollars (\$5,900,000) for, on behalf of, and in the name of the City, for the purpose of paying costs of the Project and costs of issuance of the Note, and to represent said indebtedness, this Governing Authority does hereby authorize the issuance of the not to exceed Five Million Nine Hundred Thousand Dollars (\$5,900,000) Bond Anticipation Note, Series 2024, of the City. The Mayor may approve a different series designation if the Note is delivered after the end of calendar year 2024.

The Note shall be initially issued in the form of a single, fully registered note, dated the date of delivery thereof, numbered R-1 and in the maximum aggregate principal amount of Five Million Nine Hundred Thousand Dollars (\$5,900,000). The Outstanding principal of the Note shall bear interest from the date advanced as set forth herein or from the most recent Interest Payment Date to which interest has been paid or duly provided for, such interest to be payable semi-annually on each Interest Payment Date at the interest rate set forth in the Note, calculated on the basis of a 360-day year consisting of twelve 30-day months. The Note shall mature on the date set forth in the Note, subject to optional and mandatory payment as set forth herein.

The principal of and interest on the Note shall be payable by check of the Paying Agent or the City mailed to the Owner (determined as of the close of business on the Record Date) at the address shown on the Note Register or, in the discretion of the Paying Agent, by wire from the Paying Agent or the City delivered to the Owner (determined as of the close of business on the Record Date) in accordance with wiring instructions provided by the Owner, provided, however, that principal on any Note at maturity or upon optional redemption in full (but not in part) shall be payable at the designated office of the Paying Agent upon presentation and surrender thereof. Each Note delivered under this Note Ordinance upon transfer of, in exchange for or in lieu of any other Note shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Note, and each such Note shall bear interest (as herein set forth) so neither gain nor loss in interest shall result from such transfer, exchange or substitution.

No Note shall be entitled to any right or benefit under this Note Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of registration, substantially in the form provided in this Note Ordinance, executed by the Paying Agent by manual signature.

SECTION 3. Optional Prepayment of Note. The Note shall be subject to prepayment in whole or in part at any time at a price equal to the principal amount being prepaid plus accrued interest thereon to the date of prepayment.

Official notice of such call of all or any portion of the Note for optional redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails, or by accepted means of electronic communication, not less than ten (10) days prior to the redemption date addressed to the registered owner of each note to be redeemed at his address as shown on the Note Register. The notice provided for any optional redemption may provide that such optional redemption is conditioned upon the availability of funds therefor.

SECTION 4. Mandatory Redemption of Note. The City shall be required to redeem the Note by paying the Outstanding Principal plus accrued interest thereon to the date of prepayment not less than 20 days after the delivery of the Bonds. Notice of redemption as required under this Section shall be given pursuant to Section 3 hereof.

SECTION 5. Registration and Transfer. The City shall cause the Note Register to be kept by the Paying Agent. The Note may be transferred, registered and assigned only on the Note Register,

which such registration shall be at the expense of the City, and only by the execution of an assignment form on the Note being transferred. A new Note will be delivered by the Paying Agent to the last assignee (the new Owner) in exchange for such transferred and assigned Note after receipt of the Note to be transferred in proper form. Such new Note shall be in the denomination of \$100,000 or any integral multiple of \$1.00 in excess thereof. Neither the City nor the Paying Agent shall be required to issue, register the transfer of, or exchange any Note during a period beginning at the opening of business on a Record Date and ending at the close of business on the Interest Payment Date.

SECTION 6. **Form of Note.** The Note and the endorsements to appear thereon shall be in substantially the form attached hereto as **Exhibit A.**

SECTION 7. **Execution of Note.** The Note shall be signed by the Executive Officers, for, on behalf of, in the name of and under the corporate seal of the City, which signatures and corporate seal may be either manual or facsimile.

SECTION 8. **Pledge and Dedication of Revenues.** The Notes shall be secured by and payable from a pledge and dedication of any and all proceeds of the Bonds and, to the extent the proceeds of the Bonds are not sufficient for such purpose, then may be paid from the Net Revenues. The City may, in its discretion, apply any unspent proceeds of the Note to the repayment of the Note.

SECTION 9. **Construction Fund.** The City shall deposit the proceeds of the Note when received into a construction fund established by the City (the "***Construction Fund***") and held with the Paying Agent. The funds in the Construction Fund shall be used solely for the purpose for which the Bonds are being issued or for the redemption of the Note. Income from the investment of such proceeds may be used to pay costs associated with the Project.

SECTION 10. **Note Legal Obligation.** The Note shall constitute a valid and binding limited obligation of the City and shall be the only representations of the indebtedness as herein authorized and created. The provisions of this Note Ordinance shall constitute a contract between the City and the Owner or Owners from time to time of the Note, and any such Owner or Owners may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by this Governing Authority or the City as a result of issuing the Note.

No material modification or amendment of this Note Ordinance, or of any Note Ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners of two-thirds (2/3) of the aggregate principal amount of the Note then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity provisions of the Note, or the rate of interest thereon, or in the amount of the principal obligation thereof, or affecting the obligation of the City to pay the principal of and the interest on the Note as the same shall come due from the revenues appropriated, pledged and dedicated to the payment thereof by this Note Ordinance, or reduce the percentage of the Owners required to consent to any material modification or amendment of this Note Ordinance, without the consent of the Owners of all of the outstanding Notes.

SECTION 11. **Severability; Application of Subsequently Enacted Laws.** In case any one or more of the provisions of this Note Ordinance or of the Note shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Note Ordinance or of the Note, but this Note Ordinance and the Note shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Note Ordinance which validate or make legal any provision of this Note Ordinance

and/or the Note which would not otherwise be valid or legal, shall be deemed to apply to this Note Ordinance and to the Note.

SECTION 12. **Recital of Regularity.** This Governing Authority having investigated the regularity of the proceedings had in connection with the Note and having determined the same to be regular, the Note shall contain the following recital, to-wit:

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

SECTION 13. **Effect of Registration.** The City, the Paying Agent, and any agent of either of them may treat the Owner in whose name any Note is registered as the Owner of such Note for the purpose of receiving payment of the principal of and interest on such Note and for all other purposes whatsoever, and to the extent permitted by law, neither the City, the Paying Agent, nor any agent of either of them shall be affected by notice to the contrary.

SECTION 14. **Notices to Owners.** Wherever this Note Ordinance provides for notice to Owners of the Note of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and delivered via accepted means of electronic communication or mailed, first-class postage prepaid, to each Owner of such Note, at the address of such Owner as it appears in the Note Register. In any case where notice to Owners of Note is given by mail, neither the failure to mail such notice to any particular Owner of Note, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Note. Where this Note Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner or Owners 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 15. **Cancellation of Note.** The Note may be surrendered for payment, transfer, exchange or replacement, if surrendered to the Paying Agent, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent and, if not already canceled, shall be promptly canceled by the Paying Agent. The City may at any time deliver to the Paying Agent for cancellation any Note previously registered and delivered which the City may have acquired in any manner whatsoever, and any Note so delivered shall be promptly canceled by the Paying Agent. Any canceled Note held by the Paying Agent shall be disposed of as directed in writing by the City.

SECTION 16. **Mutilated, Destroyed, Lost or Stolen Note.** If (1) any mutilated Note is surrendered to the Paying Agent, or the City and the Paying Agent receive evidence to their satisfaction of the destruction, loss or theft of any Note, and (2) there is delivered to the City and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the City or the Paying Agent that such Note has been acquired by a bona fide purchaser, the City shall execute, and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Note, a new Note of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Note, pay such Note. Upon the issuance of any new Note under this Section, the City may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected

therewith. Every new Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen note shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost or stolen Note shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Note Ordinance. Any additional procedures set forth in the Agreement authorized in this Note Ordinance, shall also be available with respect to mutilated, destroyed, lost or stolen Note. The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Note.

SECTION 17. **Discharge of Note Ordinance; Defeasance.** If the City shall pay or cause to be paid, or there shall otherwise be paid to the Owners of all of the Outstanding Notes, the principal of and interest on the Note, at the times and in the manner stipulated in this Note Ordinance, then the pledge of the money, securities, and funds pledged under this Note Ordinance and all covenants, agreements, and other obligations of the City to the Owners shall thereupon cease, terminate, and become void and be discharged and satisfied, and the Paying Agent shall pay over or deliver all money held by it under this Note Ordinance to the City.

Principal or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the City of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if they are defeased in the manner provided by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

SECTION 18. **Successor Paying Agent; Paying Agent Agreement, if required.** The Purchaser shall serve as the original Paying Agent. The City will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Note. The City 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 of the Agreement and appointing a successor and (b) causing notice to be given to each Owner. Any successor Paying Agent appointed hereunder shall at all times be 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. If required, the Executive Officers are hereby authorized and directed to execute an appropriate Agreement with the Paying Agent for and on behalf of the City 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.

SECTION 19. **Disclosure Under SEC Rule 15c2-12.** The City will not be required to comply with the continuing disclosure requirements described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR 240.15c2-12(b)].

SECTION 20. **Award of Note.** The Purchaser, by its acknowledgement attached as **Exhibit B** hereto, hereby offers to purchase the Note in accordance with and pursuant to the terms of this Note Ordinance, and this Governing Authority hereby awards the sale of the Note to the Purchaser. The Note shall be delivered to the Purchaser upon the payment of the principal amount thereof. As a condition to the delivery of the Note to the Purchaser, the Purchaser will execute a standard letter, acceptable to it and the City, indicating it has conducted its own analysis with respect to the Note and is purchasing the Note as a vehicle for making a commercial loan to the City.

The Mayor is expressly authorized and directed to determine the interest rate, Interest Payment Dates, principal amount and other terms of the Note (within the parameters previously approved by this Governing Authority) in consultation with the Purchaser.

SECTION 21. **Publication.** This Note Ordinance shall be published one time in the official journal of the City.

SECTION 22. **Post-Issuance Compliance.** The Executive Officers and/or their designees are directed to establish, continue, and/or amend, as applicable, written procedures to assist the City in complying with various State and Federal statutes, rules and regulations applicable to the Note and are further authorized to take any and all actions as may be required by said written procedures to ensure continued compliance with such statutes, rules and regulations throughout the term of the Note.

SECTION 23. **Further Authorization.** The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Note Ordinance, to cause the Note to be printed, to issue, execute and seal the Note, and to effect delivery thereof as hereinafter provided.

SECTION 24. **Default.** Upon an Event of Default, the Owner may pursue any and all remedies, including but not limited to an action for mandamus, that may exist at law or in equity pursuant to the law of the State at the time of such Event of Default.

SECTION 25. **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.

SECTION 26. **Effective Date.** This Note Ordinance shall become effective immediately.

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

YEAS:

NAYS:

ABSTAIN:

ABSENT:

And this ordinance was declared adopted on this 1st day of October, 2024.

/s/ Kathleen S. Faulk
Secretary-Treasurer

/s/ Roslyn R. White
Mayor

**EXHIBIT A
To Note Ordinance**

(FORM OF NOTE)

No. R-1

Principal Amount: \$[5,900,000]

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

**BOND ANTICIPATION NOTE, SERIES 2024
OF THE
CITY OF ABBEVILLE, STATE OF LOUISIANA**

<u>Note Date</u> _____, 2024	<u>Maturity Date</u> [October 1, 2026]	<u>Interest Rate</u> _____ %
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The **CITY OF ABBEVILLE, STATE OF LOUISIANA** (the "*City*"), promises to pay, but solely from the source and as hereinafter provided, to:

GULF COAST BANK

or registered assigns, the Principal Amount set forth above, to the extent actually advanced and not already paid, together with interest thereon from the date advanced or the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate per annum set forth above, payable semi-annually on [April 1 and October 1 of each year, commencing April 1, 2025] (each an "*Interest Payment Date*"). The principal of this Note, on the Maturity Date set forth above or upon earlier redemption in whole but not in part, is payable in lawful money of the United States of America at the designated office of Gulf Coast Bank, of Abbeville, Louisiana, or successor thereto (the "*Paying Agent*"), upon presentation and surrender hereof. Other payments of principal and interest on this Note are payable by check of the Paying Agent or the City mailed to the Owner (determined as of the close of business on the Record Date) at the address shown on the Note Register or, in the discretion of the Paying Agent, by wire from the Paying Agent or the City delivered to the Owner (determined as of the close of business on the Record Date) in accordance with wiring instructions provided by the Owner.

This Note comprises the entire Bond Anticipation Note, Series 2024 (the "*Note*"), said Note having been issued by the City pursuant to a Note Ordinance adopted by its governing authority on [October 1, 2024] (the "*Note Ordinance*"), for the purpose of providing interim financing during the constructing and acquiring of improvements, extensions, and replacements to the waterworks component of the waterworks system and electric system as revenue producing public utilities (collectively, the "*System*"), including equipment and fixtures therefor, and paying costs of issuance of the Note, 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.

The Note shall be secured by and payable from the proceeds of the not exceeding \$5,900,000 of Taxable Utilities Revenue Bonds of the City (the "*Bonds*"), and the income and revenues derived or to be derived from the operation of the System, after provision has been made for payment therefrom of all reasonable and necessary expenses of operating and maintaining the System. The City, in the

Note Ordinance, has also entered into certain other covenants and agreements with the registered owner of this Note for the terms of which reference is made to the Note Ordinance.

The Note shall be subject to prepayment in whole or in part at any time at a price equal to the principal amount being prepaid plus accrued interest thereon to the date of prepayment.

Official notice of such call of all or any portion of the Note for optional redemption will be given by first class mail, postage prepaid, by notice deposited in the United States mails, or by accepted means of electronic communication, not less than ten (10) days prior to the redemption date addressed to the registered owner of each note to be redeemed at his address as shown on the registration books of the Paying Agent. The notice provided for any optional redemption may provide that such optional redemption is conditioned upon the availability of funds therefor.

The City shall be required to redeem the Note not less than 20 days after the delivery of the Bonds. Notice of redemption shall be given as required under the Note Ordinance.

The City shall cause to be kept at the designated office of the Paying Agent a register (the "**Note Register**") in which registration of the Note and of transfers of the Note shall be made as provided in the Note Ordinance. The Note may be transferred, registered and assigned only on the Note Register, which such registration shall be at the expense of the City, and only by the execution of an assignment form on the Note. A new Note will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for this transferred and assigned Note after receipt of this Note to be transferred in proper form.

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

It is certified that this Note is authorized by and issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Note have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the City, including this Note, does not exceed the limitations prescribed by the Constitution and statutes of the State of Louisiana.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the City Council of the City of Abbeville, State of Louisiana, acting as the governing authority of the City, has caused this Note to be executed in its name by the manual signatures of its Mayor and its Secretary-Treasurer and the corporate seal of the City to be impressed hereon.

CITY OF ABBEVILLE, STATE OF LOUISIANA

Secretary-Treasurer

Mayor

(SEAL)

* * * * *

(FORM OF PAYING AGENT=S CERTIFICATE OF REGISTRATION)

This Note is the Note referred to in the within mentioned Note Ordinance.

GULF COAST BANK,
as Paying Agent

By: _____
Authorized Officer

Date of Registration: _____, 2024

* * * * *

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned Assignor hereby sells, assigns and transfers the within note and all rights thereunder unto the following Assignee:

Name: _____

Address: _____

_____,
who by its execution below hereby certifies to the Paying Agent that (a) it is (i) an affiliate of the original owner of this Note, or (ii) a bank, or entity directly or indirectly controlled by a bank, or under common control with a bank, other than a broker dealer or municipal securities dealer, which certifies that it is a "qualified institutional buyer" as defined in Rule 144A of the Securities Act of 1933, as amended, and (b) it consents to the terms of the Purchaser Certificate executed by the original owner of this Note as referenced in the Note Ordinance.

_____, Assignee

_____, Assignor

By: _____

By: _____

Its: _____

Its: _____

Date: _____

EXHIBIT B
To Note Ordinance

ACKNOWLEDGEMENT AND OFFER TO PURCHASE

The undersigned, a duly authorized officer of Gulf Coast Bank, acting on behalf of Gulf Coast Bank, of Abbeville, Louisiana (the "**Bank**"), hereby acknowledges that they have received and reviewed the ordinance (the "**Ordinance**") to be adopted by the City Council, acting as the governing authority of City of Abbeville, State of Louisiana (the "**City**"), on October 1, 2024, and in accordance with all terms and conditions set forth in the Ordinance, The Bank hereby offers to purchase not exceeding \$5,900,000 Bond Anticipation Note, Series 2024 (the "**Note**") of the City, being authorized pursuant to the Ordinance at a fixed rate of _____% for the term of the Note. All other terms and conditions of the Note shall be as set forth in the Ordinance.

GULF COAST BANK

By: _____

Its: _____

Dated: _____, 2024

STATE OF LOUISIANA

PARISH OF VERMILION

I, the undersigned Secretary-Treasurer of the City of Abbeville, State of Louisiana (the "*City*"), do hereby certify that the foregoing pages constitute a true and correct copy of the proceedings taken by the City Council, acting as the governing authority of the City on October 1, 2024, providing for the incurring of debt and issuance of a Bond Anticipation Note of the City of Abbeville, State of Louisiana in an amount not to exceed \$5,900,000, and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature on this, the 1st day of October, 2024.

Secretary-Treasurer

The following ordinance having been introduced at a meeting held on September 17, 2024, notice of its introduction having been published in the official journal and a public hearing having been held thereon on this date, was offered for final adoption by _____ and seconded by _____:

ORDINANCE

An ordinance authorizing the issuance by the City of Abbeville, State of Louisiana, of its Taxable Utilities Revenue Bonds (LDH), in an amount not to exceed \$5,900,000, authorizing the execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Health, and providing for other matters in connection therewith.

WHEREAS, the City of Abbeville, State of Louisiana (the "**City**"), now owns and operates a waterworks system and electric system as revenue producing public utilities (collectively, the "**System**"); and

WHEREAS, the City Council (the "**Governing Authority**"), acting as the governing authority of the City, proposes that bonds be issued by the City, for the purpose of paying a portion of the costs of constructing and acquiring improvements, extensions, and replacements to the waterworks component of the System, including equipment and fixtures therefor (the "**Project**"), in the manner prescribed by and under the authority 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 (the "**Act**"), to be payable solely from the income and revenues derived or to be derived from the operation of the System, after provision has been made for payment therefrom of all reasonable and necessary expenses of operating and maintaining the System (the "**Net Revenues**"); and

WHEREAS, pursuant to the authority of the Act, the Governing Authority, by a resolution adopted on July 16, 2024, gave notice of its intention to issue Taxable Utilities Revenue Bonds of the City in an amount not exceeding \$5,900,000, which notice of intention was published on August 28 and September 4, 11, and 18, 2024, and thereafter this Governing Authority held a public hearing on October 1, 2024 at which no objections were made to the issuance of such bonds and no petitions were filed requesting an election thereon; and

WHEREAS, it is now the wish of the City to authorize the issuance of its Taxable Utilities Revenue Bonds (LDH), in an amount not to exceed Five Million Nine Hundred Thousand Dollars (\$5,900,000) (the "**Bonds**") in accordance with the terms and provisions of the Act and for the purposes set forth above; and

WHEREAS, the City has no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the Net Revenues; and

WHEREAS, the United States of America, pursuant to the Safe Drinking Water Act Amendments of 1996, specifically Section 300j-12 of Title 42 of the United States Code (the "**Federal Act**"), is authorized to make capitalization grants to states to be used for the purpose of providing loans or loan guarantees, or as a source of reserve and security for leveraged loans, the

proceeds of which are deposited in a state revolving fund, or to provide other financial assistance authorized under the Federal Act to community water systems and nonprofit non-community water systems, other than systems owned by Federal agencies; and

WHEREAS, the State of Louisiana (the "*State*"), pursuant to Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 40:2821, et seq.) (the "*State Act*"), has established a Drinking Water Revolving Loan Fund (the "*State Loan Fund*") in the custody of the Louisiana Department of Health (the "*Department*") to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State, as more fully described in Section 2825(A)(2) of the State Act, and has authorized the Department's Office of Public Health to establish assistance priorities and perform oversight and other related activities with respect to the State Loan Fund; and

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

WHEREAS, the Bonds will be issued to represent the City's obligation to repay the loan from the State Loan Fund; and

WHEREAS, the City has no outstanding bonds or other obligations of any kind or nature payable from or enjoying a lien on the Net Revenues;

WHEREAS, the City 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 ORDAINED by the City Council, acting as the governing authority of the City, that:

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

"*Act*" means 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.

"*Additional Parity Bonds*" means any *pari passu* additional bonds that may hereafter be issued pursuant to Section 18 hereof on a parity with the Bonds.

"*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 semi-annual installments on each Interest Payment Date.

"*Bond*" or "*Bonds*" means the City's Taxable Utilities Revenue Bonds (LDH), authorized to be issued in one or more series pursuant to this Bond Ordinance in the total principal amount of not exceeding Five Million Nine Hundred Thousand Dollars (\$5,900,000), 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.

"Bond Ordinance" means this ordinance authorizing the issuance of the Bonds.

"Bond Register" means the registration books of the Paying Agent, in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

"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.

"City" means the City of Abbeville, State of Louisiana, a political subdivision of the State of Louisiana, and its successors or assigns.

"Commitment Agreement" means the Commitment Agreement to be entered into by and between the Department and the City prior to the delivery of the Bonds, in substantially the form presently on file with the Governing Authority, 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.

"Completion Date" means the earlier of (i) the date of the final disbursement of the purchase price of the Bonds to the City, or (ii) the date the operation of the Project is initiated or capable of being initiated, as certified by an Executive 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 Health, an executive department and agency of the State, and any successor to the duties and functions thereof with respect to the State Loan Fund.

"Executive Officers" means, collectively, the Mayor and the Secretary-Treasurer of the City.

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

"Governing Authority" means the City Council, or its successor in function.

"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 January 1 and July 1, commencing on the first such date to occur following the delivery of the Bonds.

"Loan" means the loan made by the Department from the Drinking Water Revolving Loan Fund to the City 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 City prior to the delivery of the Bonds, in substantially the form presently on file with the Governing Authority, 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 to be derived from the operation of the System, after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the System.

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

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

(b) Bonds 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 redemption has been duly given or provided for pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

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

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

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

"Paying Agent" means the Secretary-Treasurer of the City, unless and until a successor Paying Agent shall have assumed such responsibilities pursuant to this Bond Ordinance.

"**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 January 1, commencing not later than one year after the Completion Date provided that in no event shall the final maturity of the Bonds be more than thirty (30) years from the date of the Bonds.

"**Project**" means constructing and acquiring improvements, extensions, and replacements to the waterworks component of the System, including equipment and fixtures therefor.

"**Qualified Investments**" means those investments permitted under State law, including but not limited to La. R.S. 33:2955.

"**Reserve Fund Requirement**" shall mean an amount equal to one-half (½) of the highest principal, interest, and Administrative Fee due on the Bonds in any succeeding Fiscal Year.

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

"**State Loan Fund**" means the Drinking Water Revolving Loan Fund established by the State pursuant to Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 40:2821, et seq.) in the custody of the Department, which is to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State, as more fully described in La. R.S. 40:2825(A)(2).

"**System**" means the waterworks system and electric system as revenue producing public utilities, as said system now exists and as it may be hereafter improved, extended or supplemented while any of the Bonds herein authorized remain outstanding, including specifically all properties of every nature owned, leased or operated by the City and used or useful in the operation of said revenue producing utility, and including real estate, personal and intangible properties, contracts, franchises, leases and choses in action, whether lying within or without the boundaries of the City.

SECTION 2. Authorization of Bonds. In compliance with and under the authority of the Act, and subject to the approval of the State Bond Commission, there is hereby authorized the incurring of an indebtedness of not exceeding Five Million Nine Hundred Thousand Dollars (\$5,900,000) for, on behalf of and in the name of the City, for the purpose of financing the Project and for paying costs of issuance of the Bonds. To represent said indebtedness, the City does hereby authorize the issuance of its "Taxable Utilities Revenue Bonds (LDH), Series 2025," in an amount not to exceed Five Million Nine Hundred Thousand Dollars (\$5,900,000). 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**. It is expressly provided that if the Bonds are delivered in a calendar year other than 2025, the series designation shall change accordingly on the Bonds and throughout this Bond Ordinance. Notwithstanding anything herein to the contrary, the Bonds may be issued in one or more series as determined by the Executive Officers.

The Bonds shall mature in thirty (30) installments of principal, payable annually on each Principal Payment Date, and each annual installment shall be due as set forth in the Loan Agreement and the Bond.

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 1.95% 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 City 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 City 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 the State Loan Fund and (ii) the Administrative Fee payable by the City 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.

Notwithstanding anything herein to the contrary, the Department may forgive some or all of the principal of the Bonds as advanced, in accordance with the terms of the Loan Agreement. In such event, no interest or Administrative Fee shall accrue on the portion so forgiven.

SECTION 3. Prepayment. The principal installments of the Bonds are subject to prepayment at the option of the City 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 or via accepted means of electronic communication not less than twenty (20) days prior to the prepayment date addressed to the Owner of each Bond to be prepaid at his address as shown on the Bond Register. 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 irrevocably 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 City 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 therefrom as herein provided, that the Bonds will have a lien and privilege on the Net Revenues, and that the City will at all times maintain the System in first-class repair and working order and condition.

SECTION 5. Bond Ordinance a Contract. The provisions of this Bond Ordinance shall constitute a contract between the City and the Owner from time to time of the Bonds, and any Owner may either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the City as a result of issuing the Bonds.

Notwithstanding the foregoing, no Executive Officer, member of the Governing Authority, any other officer or employee of the City, 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 at a price of par plus accrued interest, if any, 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, upon receipt by the City of the agreed first advance of the purchase price of the Bonds. Pursuant to La. R.S. 39:505(B), the City 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 City in installments, and a portion of the principal amount advanced by the Department may be forgiven by the Department, each in the manner and under the terms and conditions set forth in the Loan Agreement and in accordance with Section 2 hereof.

SECTION 7. Manner of Payment. The principal and interest on the Bonds will be payable by check mailed to the Owner (determined as of the Interest Payment Date) at the address shown on the Bond Register, 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 Executive 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 Ordinance, 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.

In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the City such additional documents, certificates and instruments as they may deem necessary, upon the advice of counsel, to effect the transactions contemplated by this Bond Ordinance, 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 City 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 City. 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 City, 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 of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, neither the City, 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, to wit:

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

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 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 City 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 of the Bonds.

SECTION 13. Davis-Bacon Wage Rate Requirements. The City 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 City as determined by the Secretary-Treasurer 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 City 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 City may perform construction work using its own employees rather than any contractor or subcontractor.

SECTION 14. Flow of Funds. The City covenants that all of the income and revenues earned or derived 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 or accounts and known and designated as the "Revenue Fund" (the "**Revenue Fund**"), hereby created, and said Revenue Fund shall be maintained and administered in the following order of priority and for the following express purposes:

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

(b) The establishment and maintenance of the "Utilities Revenue Bonds Sinking Fund" (the "**Sinking Fund**"), hereby established, into which the City shall deposit funds, 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 Ordinance, as they severally become due and payable, by transferring from the Revenue Fund to the Sinking Fund, monthly in advance on or before the 20th day of each month of each year, a sum equal to 1/6th of the amount of interest falling due on the Bonds and any Additional Parity Bonds on the next Interest Payment Date and 1/12th of the 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 City shall transfer or cause to be transferred from the Sinking Fund to the Paying Agent(s) for all bonds payable from the Sinking Fund, at least one (1) day in advance of the date on which payment of principal or interest and Administrative Fee 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 City in the manner provided in this Bond Ordinance, moneys in the Sinking Fund shall be available pro rata to pay principal and interest and Administrative Fee on such Additional Parity Bonds, and payments into the Sinking 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 Sinking Fund to any paying agent or pay directly to the owner, for all bonds payable from the said Sinking Fund, at least one (1) day 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.

(c) The establishment and maintenance of the "Utilities Revenue Bonds Reserve Fund" (the "**Reserve Fund**"), containing an account for the Bonds designated the "Series 2025 Reserve Fund 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 Sinking Fund with respect to the Bonds, the payments into the Series 2025 Reserve Fund Account to continue until such time as there has been accumulated in the Series 2025 Reserve Fund Account a sum equal to the Reserve Fund Requirement. Moneys in the Series 2025 Reserve Fund Account shall be used only 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 City 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 _____ Account." The money in the accounts of 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 Sinking Fund as to which there would otherwise be default. With respect to accounts that may be required in connection with the issuance of Additional Parity Bonds, the City 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.

It is expressly provided that, if 100% of the principal of any series of the Bonds is to be forgiven by the Department pursuant to the Loan Agreement, no account in the Reserve Fund shall be required for such series of Bonds.

(d) The establishment and maintenance of the "Utilities Revenue Bonds Depreciation and Contingency Fund" (the "*Contingencies Fund*"), heretofore established and maintained by this Bond Ordinance, 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 may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is less than Fifty Thousand Dollars (\$50,000). 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 and Administrative Fee on the Bonds for the payment of which there is not sufficient money in the Sinking Fund and/or the appropriate reserve account described in paragraphs (b) and (c) above.

Any moneys remaining in the Revenue Fund 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 City for any lawful purpose.

SECTION 15. Replenishment of Funds. If at any time it shall be necessary to use moneys in any Reserve Account for the purpose of paying principal of or interest on bonds secured by such Reserve Account as to which there would otherwise be default, then the moneys so used shall be replaced from the Net Revenues first thereafter received, not hereinabove required to be used for the purposes described in (a) and (b) of Section 14 above. If more than one Reserve Account 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, provided, however, that the City shall take all reasonable steps to ensure that the funds drawn from any Reserve Account are replenished not later than 24 months following such draw.

SECTION 16. Notification of Deficiencies. As required by the Act and La. R.S. 39:1410.62, the City will notify the State Bond Commission, in writing, whenever (i) transfers to

any fund required to be established by this Bond Ordinance or any resolution or ordinance authorizing the issuance of indebtedness of the City have not been made timely or (ii) principal, interest, or other payments due on the Bonds or any other outstanding indebtedness of the City have not been made timely.

SECTION 17. Investments. All or any part of the moneys in the Revenue Fund and the Sinking Fund shall at the written request of this 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 applicable 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 or account has been created.

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

1. The Bonds or any part thereof, including interest thereon, may be refunded and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded, provided, however, that if only a portion of the Bonds outstanding is so refunded 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 Bond Year to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds.

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

(a) The Net Revenues in the last completed Fiscal Year immediately preceding the issuance of such Additional Parity Bonds is equal to at least 125% of the highest combined principal and interest requirements on the Bonds, including 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 (2)(a), if the City 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 Net Revenues for the last completed Fiscal Year may be made assuming such higher rates had been in effect during such period.

(b) There must be no delinquencies in payments required to be made into the various funds established by Section 14 hereof.

(c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to by the Executive Officer.

If required in connection with the issuance of the Additional Parity Bonds, the City shall make provisions in the ordinance(s) authorizing such Additional Parity Bonds for the establishment and funding of a separate account in the Reserve Fund with respect to such Additional Parity Bonds in accordance with Section 14(c) above.

No Additional Parity Bonds may be issued should any event of default under this Bond Ordinance have occurred and be continuing.

SECTION 19. Obligation to Fix Rates; Schedule of Rates and Charges. The City 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 of the Bonds 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 insure 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 between users of the same type or class.

The City 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 City itself, other than water delivered to fire hydrants for firefighting purposes.

The City 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 City will take steps to cause water service to be shut off to the affected premises; and that the City 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 of ten percent (10%) of the amount of the charge, 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 Ordinance 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 Ordinance, 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 Ordinance.

SECTION 20. Rights of Owners; 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. 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, or granted and contained in this Bond Ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance, or by any applicable statutes to be performed by the City or by any agency, board or officer thereof, including the fixing, charging and collecting of rentals, fees or other changes 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 Ordinance, or in the event that the City or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Bond Ordinance or shall default in any covenant made herein, and in the further event that any such default shall continue for a period of thirty (30) days after written notice, any Owner or any trustee appointed to represent 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 City shall exercise all the rights and powers of the City with respect to the System as the City 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 Ordinance, and shall comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this Bond Ordinance.

Whenever all that is due upon the Bonds and interest thereon, and under any covenants of this Bond Ordinance 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 Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City 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 City and for the joint protection and benefit of the City 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 City and the Owners and the curing and making good of any default under the provisions of this Bond Ordinance, and the title to and the ownership of the System shall remain in the City, 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 City 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 City.

Until an event of default shall have occurred, the City 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 Ordinance, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the System.

SECTION 21. Specific Covenants. The City does hereby covenant and warrant so long as any of the Bonds are outstanding and unpaid in principal and/or interest:

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

(b) 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 utilities similar to the System. 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; provided, however, that the City may self-insure to the extent allowed by the laws of the State. In case of loss, any insurance money received by the City shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed.

(c) That it will not sell, lease or in any manner dispose of the System or any substantial part thereof, provided that the City may dispose of property when such property 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 when 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.

(d) That except as provided in Section 18 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.

(e) 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 City 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 22. Audit Requirements. The City will establish and maintain adequate financial records as required by the laws of the State 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 City 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, as implemented by 2 CFR 200, Subpart F, and Section 66.468 of the Catalog of Federal Domestic Assistance (CFDA #66.468 - Capitalization Grants for Drinking Water State Revolving Funds), if applicable. Upon completion, the City shall file a copy of such audited financial statements with the Department, if still an Owner, and with any other Owner requesting same.

SECTION 23. Fidelity Bonds for Officers and Employees. So long as any of the Bonds are outstanding and unpaid, the City 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 revenues of the System, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the City from loss.

SECTION 24. Retention and Duties of Consulting Engineer in Event of Failure to Make Required Payments. The City 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 and accounts established and maintained in accordance with 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 City 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 operating and maintaining 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 City, 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 City'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 Ordinance and all other things having a bearing upon the efficient and profitable operation of the System, and shall include whatever criticism of any phase of the operation of the System the 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 Secretary-Treasurer of the City and sent to the Owner, and shall be open to inspection by any Owner. 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 Twenty Thousand Dollars (\$20,000), 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 Secretary-Treasurer of the City.

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 City that may be available for 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 Director of Finance and Mayor of the City 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 unless a receiver has been appointed pursuant to Section 20 hereof.

SECTION 25. Discharge of Bond Ordinance. If the City shall pay or cause to be paid, or there shall be paid to the Owners, the principal of and interest (including the Administrative Fee) on the Bonds, at the times and in the manner stipulated in this Bond Ordinance 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 Ordinance and all covenants, agreements, and other obligations of the City to the Owners shall thereupon cease, terminate, and become void and be discharged and satisfied.

SECTION 26. Defeasance. Bonds or interest installments (including the Administrative Fee) for the payment of which money shall have been set aside and shall be held in trust (through deposit by the City of funds for such payment 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 Section 25. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased pursuant to the laws of the State.

SECTION 27. Cancellation of Bonds. All Bonds paid or prepaid either at or before maturity, together with all Bonds purchased by the City, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish the Secretary-Treasurer of the City an appropriate certificate of cancellation.

SECTION 28. Lost, Destroyed or Improperly Cancelled Bonds. Lost, destroyed or improperly cancelled Bonds may be replaced in the manner set forth in the Act. In case any such lost, destroyed or improperly cancelled Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any replacement Bond under this Section, the City may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith. Every new Bond issued pursuant to this Section in lieu of any lost, destroyed or improperly cancelled Bond shall constitute a replacement of the prior obligation of the City, whether or not the lost, destroyed or improperly cancelled Bond shall be at any time enforceable by anyone. The obligation of the City on any replacement bonds shall be identical as its obligation upon the original Bonds, and the rights of the registered owner shall be the same as those conferred by the original Bonds.

SECTION 29. Successor Paying Agent; Paying Agent Agreement. The City 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 Ordinance is hereby confirmed and approved. The City 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 City 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. If required, the Executive Officers are hereby authorized and directed to execute an appropriate agreement with the Paying Agent for and on behalf of the City 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 30. Notice to Owners. Wherever this Bond Ordinance provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent via accepted means of electronic communication or mailed, first-class postage prepaid, to each Owner, 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 Ordinance 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 31. Publication; Peremption. This Bond Ordinance shall be published one time in the official journal of the City, or if there is none, in a newspaper having general circulation in the City. It shall not be necessary to publish the exhibits to this Bond Ordinance, but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty (30) days after the date of such publication any persons in interest may contest the legality of this Bond Ordinance and any provisions herein made for the security and payment of the Bonds. After such thirty-day (30) period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Bond Ordinance and the provisions hereof or of the Bonds for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Bonds within the thirty (30) days herein prescribed, the authority to issue the Bonds or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Bond Ordinance and such Bonds shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 32. Disclosure Under SEC Rule 15c2-12. Subject to the terms of the Loan Agreement, the City 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 33. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 34. 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.

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

YEAS:

NAYS:

ABSENT:

ABSTAINING:

And the ordinance was declared adopted on this, the 1st day of October, 2024.

/s/ Kathleen S. Faulk
Secretary-Treasurer

/s/ Roslyn R. White
Mayor

[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 VERMILION

TAXABLE UTILITIES REVENUE BOND (LDH), SERIES 2025
OF THE
CITY OF ABBEVILLE, STATE OF LOUISIANA

<u>Bond Number</u>	<u>Bond Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
R-1	____, 2025	1.95%	\$5,900,000

FOR VALUE RECEIVED, the **CITY OF ABBEVILLE, STATE OF LOUISIANA** (the "*City*"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: Louisiana Department of Health (the "*Department*")
Office of Management & Finance
ATTN: Cash Management
P. O. Box 61979
New Orleans, LA 70161-1979

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 hereon 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 January 1 and July 1 of each year, commencing [July 1, 2025] (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 not 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 City 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 the State Loan 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 thirty (30) installments of principal, payable annually on each January 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>(January 1)</u>	<u>Percentage</u> <u>of Principal</u>	<u>Date</u> <u>(January 1)</u>	<u>Percentage</u> <u>of Principal</u>
2026	3.333%	2041	6.667%
2027	3.448	2042	7.143
2028	3.571	2043	7.692
2029	3.704	2044	8.333
2030	3.846	2045	9.091
2031	4.000	2046	10.000
2032	4.167	2047	11.111
2033	4.348	2048	12.500
2034	4.545	2049	14.286
2035	4.762	2050	16.667
2036	5.000	2051	20.000
2037	5.263	2052	25.000
2038	5.556	2053	33.333
2039	5.882	2054	50.000
2040	6.250	2055	100.000

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.

This Bond represents the entire issue of bonds of the City designated "Taxable Utilities Revenue Bond (LDH), Series 2025" (the "**Bond**"), having been issued by the City pursuant to an ordinance adopted by its governing authority on [October 1, 2024] (the "**Bond Ordinance**"), for the purpose of paying a portion of the costs of constructing and acquiring improvements, extensions, and replacements to the waterworks component of the City's waterworks system and electric system as revenue producing public utilities (the "**System**"), including equipment and fixtures therefor, and for paying costs of issuance of the Bond, 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, pursuant to all requirements therein specified. Capitalized terms used herein which are not otherwise defined have the meanings given them in the Bond Ordinance.

The principal installments of this Bond are subject to prepayment at the option of the City 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 Secretary-Treasurer of the City, as initial Paying Agent for this Bond (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 or via accepted means of electronic communication not less than twenty (20) 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 City 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 Ordinance (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 City.

This Bond is payable as to principal and interest solely from and secured by the income and revenues derived or to be derived from the income and revenues derived or to be derived from the operation of the System, after provision has been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the System (the "**Net Revenues**").

For a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond is issued, and the conditions under which additional bonds may be issued on a parity with this Bond, reference is hereby made to the Bond Ordinance.

It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State. 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 City have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the City, including this Bond, does not exceed any limitation prescribed by the Constitution and statutes of the State, 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 City of Abbeville, State of Louisiana, has caused this Bond to be executed in its name by the manual signatures of its Mayor and its Secretary-Treasurer and its corporate seal to be imprinted hereon.

CITY OF ABBEVILLE, STATE OF LOUISIANA

Secretary-Treasurer

Mayor

(SEAL)

* * * * *

SCHEDULE OF PREPAYMENTS

**TAXABLE UTILITIES REVENUE BOND (LDH), SERIES 2025
OF THE
CITY OF ABBEVILLE, STATE OF LOUISIANA**

Prepayment Date	Prepayment Amount	Remaining Balance Due

REGISTRATION RECORD

**TAXABLE UTILITIES REVENUE BOND (LDH), SERIES 2025
OF THE
CITY OF ABBEVILLE, STATE OF LOUISIANA**

Name and Address Of Registered Owner	Date of Registration	Signature of Secretary-Treasurer, as Paying Agent
Louisiana Department of Health Office of Management & Finance ATTN: Cash Management P. O. Box 61979 New Orleans, LA 70161-1979	__/__/20__	

SCHEDULE A
SCHEDULE OF PRINCIPAL DRAWS AND PRINCIPAL BALANCE
TAXABLE UTILITIES REVENUE BOND (LDH), SERIES 2025
OF THE
CITY OF ABBEVILLE, STATE OF LOUISIANA

Date: _____ Draw Number: _____
Principal Draw Paid to City 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 City 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 City 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: _____

STATE OF LOUISIANA

PARISH OF VERMILION

I, the undersigned Secretary-Treasurer of the City of Abbeville, State of Louisiana (the "*City*"), do hereby certify that the foregoing pages constitute a true and correct copy of the proceedings taken by the City Council, acting as the governing authority of the City on October 1, 2024, authorizing the issuance by the City of its Taxable Utilities Revenue Bonds (LDH) in an amount not to exceed \$5,900,000, authorizing the execution of a Loan and Pledge Agreement and other loan documents with the Louisiana Department of Health, and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature on this, the 1st day of October, 2024.

Secretary-Treasurer