

The following ordinance, having been introduced on September 19, 2018, 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 adoption by Kenneth Picard and seconded by Sherry Howell:

ORDINANCE

An ordinance authorizing the issuance of Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000) of Water Revenue Bonds, Series 2020, of the Village of Maurice, State of Louisiana, prescribing the form, fixing the details and providing for the payment thereof, confirming the sale thereof, and entering into certain other covenants and agreements in connection with the security and payment of said Bonds, including providing interim financing in connection with the construction of the project being funded with the proceeds of the Bonds through the issuance and sale of \$2,762,000 of Taxable Bond Anticipation Notes (Water) of the Village.

WHEREAS, the Village of Maurice, State of Louisiana (the "Issuer"), now owns and operates a waterworks system (the "System"); and

WHEREAS, this Mayor and Board of Aldermen now desire to construct and acquire improvements, extensions and replacements to the System, including appurtenant equipment, fixtures and accessories, a work of public improvement for the Issuer (the "Project"), and to pay a portion of the costs thereof through the issuance of water revenue bonds of the Issuer payable as to principal and interest from a dedication and pledge of the income and revenues derived or to be derived from the operation of the System, pursuant to the provisions of Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority; and

WHEREAS, this Mayor and Board of Aldermen now wish to issue Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000) of Water Revenue Bonds, Series 2020 (the "Bonds") in accordance with the terms and provisions of the Act and for the purposes set forth above; and

WHEREAS, the Issuer presently has no outstanding bonds payable from a pledge of the revenues of the System; and

WHEREAS, Consolidated Farmers Home Administration Act of 1961 provides that the United States of America may make loans to political subdivisions when such subdivisions are unable to obtain other credit to meet their needs within reasonable rates and terms; and

WHEREAS, the Issuer is not able to sell the Bonds in the private market at reasonable rates and terms and now desires to exercise its option to sell the Bonds to the United States of America and to issue the Bonds pursuant to the terms of a loan agreement entered into by and between the Issuer and the Government, as defined below, and, to represent said indebtedness, to issue the Bonds as hereafter provided; and

WHEREAS, it is now desired to fix the details necessary with respect to the issuance of the aforesaid bonds and to provide for the authorization and issuance thereof; and

WHEREAS, the Issuer also wishes to authorize the issuance of its Taxable Bond Anticipation Notes (Water) in the principal amount of \$2,762,000 to provide interim financing for the Project pursuant to the provisions of Section 528 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (R.S. 39:528), and other constitutional and statutory authority;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Aldermen of the Village of Maurice, State of Louisiana, acting as the governing authority of said Village, that:

SECTION 1. The following terms as used in this ordinance shall have the following respective meanings, such definitions to be equally applicable to both the singular and plural sense of any of such terms:

1. "**Bonds**" or "**Bond**" means the Water Revenue Bonds, Series 2020, of the Village of Maurice, State of Louisiana, authorized to be issued by this ordinance in the aggregate principal amount of \$2,762,000.

2. "**Executive Officers**" means, collectively, the Mayor and the Clerk of the Village of Maurice, State of Louisiana.

3. "**Governing Authority**" means the Mayor and Board of Aldermen of the Village of Maurice, State of Louisiana, or any legal successor thereto.

4. "**Government**" means the United States of America, acting through Rural Development, or any successor entity thereto.

5. "**Issuer**" means the Village of Maurice, State of Louisiana.

6. "**Notes**" or "**Note**" means the Taxable Bond Anticipation Notes (Water) authorized to be issued by this ordinance in the aggregate principal amount of \$2,762,000.

7. "**System**" means the waterworks system of the Issuer, as now existing and as acquired, constructed, improved and extended with the proceeds of the Bonds or as said system shall hereafter be improved, extended or supplemented from any source whatsoever while any of the Bonds or the Notes remain outstanding, including, specifically, all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action. October 10, 2018

SECTION 2. Subject to the approval of the State Bond Commission and to pay a portion of the costs of constructing and acquiring improvements, extensions and replacements to the System, including appurtenant equipment, fixtures and accessories, a work of public improvement for the Issuer, in compliance with and under the authority of Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness

of Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000) for, on behalf of and in the name of the Issuer, and to represent said indebtedness, this Governing Authority does hereby authorize the issuance of Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000) of Water Revenue Bonds, Series 2020, of the Issuer. The Bonds shall be issued in the form of a single, fully registered Bond of the Issuer, which shall be dated as of the date of delivery thereof, shall be in the denomination and principal amount of Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000) and numbered R-1 and shall bear interest at the rate of three and one-fourth per centum (3-¼ %) per annum from date of delivery until paid (or, with the consent of the Government, such lower rate of interest which the Government may have in effect for such loans at the time of delivery of the Bond to the Government). Principal and interest on the Bond shall be payable over a forty (40) year period with the first payment consisting of interest only which shall fall due one (1) year from date thereof. Thereafter, commencing one month following the interest only payment and continuing monthly thereafter for a total of 468 monthly payments, the principal and interest shall be paid in monthly amortized payments for a period of thirty-nine years. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

SECTION 3. The Issuer may prepay the whole or any part of the principal amount of any installment of the Bond at any time at the principal amount thereof and accrued interest to the date fixed for prepayment. Each prepayment shall be noted on such Bond, and interest on the amount of principal so prepaid shall cease from and after the date of prepayment.

SECTION 4. Payments of principal and interest on the Bonds shall be made by check or draft mailed to the registered owner at the address shown on the Bond Registration Book of the Issuer, or by electronic debit acceptable to said owner, without (except for final payment) presentation and surrender of the Bond; and all such payments shall fully discharge the obligation of the Issuer to the extent of the payments so made. Said payments shall be noted on the Payment Record made a part of each Bond, and written notice of the making of such notations shall be promptly sent to the Issuer.

SECTION 5. The Bonds shall be fully registered as to principal and interest by the Clerk of the Issuer, and no transfer or assignment shall be valid unless made on the Bond Registration Book and similarly noted on the back of such Bond. Upon such transfer or assignment, the transferor or assignor shall surrender the Bonds for transfer on said registration records and verifications of endorsements made on such Bonds.

SECTION 6. The Bonds shall be in substantially the following form:

* * *
**UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF VERMILION
WATER REVENUE BOND, SERIES 2020,
OF THE
VILLAGE OF MAURICE, STATE OF LOUISIANA**

No. R-1

\$2,762,000

KNOW ALL MEN BY THESE PRESENTS that the Village of Maurice, State of Louisiana (the "Issuer"), for value received hereby promises to pay to the registered owner, or its successor (the "Payee"), or its registered assigns (the "Alternate Payee"), but solely from the revenues hereinafter recited, the sum of Two Million Seven Hundred Sixty-Two Thousand Dollars (\$2,762,000), together with interest on the unpaid principal at the rate of three and one-fourth per centum (3-¼%) per annum from date hereof or the most recent interest payment date to which interest has been paid. This bond shall be payable over a forty (40) year period with the first payment falling due on _____, 2021 being for interest only. Thereafter, commencing on _____, 2021, and on the _____ day of each month thereafter to and through _____, 2060, the payments shall consist of fully amortized installments of principal and interest of \$_____ each. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

Payments of principal and interest, including prepayments of principal, shall be noted on the appropriate payment record made a part of this bond as provided by the ordinance authorizing its issuance.

The Issuer shall have the right to prepay the whole or any part of the principal amount of any installment at any time in inverse chronological order at par plus accrued interest. When any such prepayment has been made, interest on the amount of principal so prepaid shall cease to accrue from and after the date of prepayment.

This bond represents the entire series of bonds designated "Water Revenue Bonds, Series 2020, of the Village of Maurice, State of Louisiana" (the "Bond"), and this Bond is issued under and by virtue of the authority conferred by Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, pursuant to all requirements therein specified, and were specially authorized by an ordinance adopted by the governing authority of the Issuer on October 17, 2018 (the "Bond Ordinance"), to pay a portion of the costs of constructing and acquiring improvements, extensions and replacements to the waterworks system of the Issuer, including appurtenant equipment, fixtures and accessories, a work of public improvement for the Issuer (the "Project"), and the payment of the Taxable Bond Anticipation Notes of the Issuer, dated _____, 20____, issued to provide interim financing for the Project.

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

The Issuer has obligated itself, and by this Bond declares, that all of the income and revenues to be derived from the operation of the System shall be deposited promptly as the same may be collected in a separate and special bank account known and designated as the "Water Revenue Fund". The Issuer has duly covenanted and obligated itself and, by this Bond declares,

that it will fix and maintain rates and collect charges for all services and facilities to be rendered by the System sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the System, to provide for the payment of this Bond, together with interest thereon, and all other obligations or indebtedness payable out of the revenues of the System, to provide a reserve therefor, and to provide a reasonable fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System; provided, however, that to the extent that revenues derived from other sources are appropriated for System purposes by the Governing Authority, the Issuer's water rates and charges may be correspondingly reduced. For a more complete statement of the revenues from which and conditions under which this Bond is issued, including provisions for the issuance of *pari passu* obligations under certain terms and conditions, reference is hereby made to the Bond Ordinance.

As provided in R.S. 39:832, this Bond shall not constitute an indebtedness of the State of Louisiana.

This Bond may be assigned and upon such assignment the assignor shall promptly notify the Issuer by registered mail, and the assignor shall surrender the same to the Issuer for transfer on the registration records and verification of the endorsements made hereon, and every such assignee shall take this Bond subject to such condition.

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.

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 Issuer, have existed, have happened and have been performed in due time, form and manner as required by law, and that a sufficient amount of income and revenues to be derived from the operation of the System has been duly pledged and will be set aside for the payment of the principal of and the interest on this Bond.

IN WITNESS WHEREOF, the Mayor and Board of Aldermen of the Village of Maurice, State of Louisiana, acting as the governing authority of the Issuer, has caused this Bond to be signed by the Mayor and attested by the Clerk of the Issuer and the corporate seal of the Issuer to be hereon impressed and this Bond to be dated as of the date of delivery hereof, _____, 202____.

VILLAGE OF MAURICE, STATE OF
LOUISIANA

ATTEST:

Mayor

Clerk

(PROVISIONS FOR REGISTRATION)

This Bond has been registered as to principal and interest in the name of the registered owner hereof on the books of the Clerk of the Village of Maurice, State of Louisiana, as Registrar, as follows:

Date of Registration	Name of Registered Owner	Address of Registered Owner	Signature of Registrar
	USDA, Rural Development Community Services Branch	Mail Code 1312 4300 Goodfellow Blvd., Bldg. 104 St. Louis, MO 63120-1703	

(FORM OF ASSIGNMENT)

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

Please Insert Social Security
or other Identifying Number of Assignee

--

the within Water Revenue Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney or agent to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises. To transfer this bond, the transferee must provide the paying agent with the necessary purchaser letter.

Dated: _____

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

CERTIFICATE OF DELIVERY

I, the undersigned Clerk of the Village of Maurice, State of Louisiana, do hereby certify that this Bond was delivered to the purchaser therefor and payment duly received therefor on the date and in the amount hereinafter shown:

Date	Amount of Principal Received	Signature of Clerk of the Issuer

PAYMENT RECORD
 WATER REVENUE BOND, SERIES 2020
 VILLAGE OF MAURICE, STATE OF LOUISIANA

DUE DATE	PRINCIPAL PAYMENT	PRINCIPAL BALANCE DUE	INTEREST PAYMENT (____%)	DATE PAID	SIGNATURE OF AUTHORIZED OFFICIAL AND TITLE

(480 amortized payment dates)

SCHEDULE "A"
 WATER REVENUE BOND, SERIES 2020, OF THE
 VILLAGE OF MAURICE, STATE OF LOUISIANA

Principal Installments on which payments have been made prior to maturity.

PRINCIPAL PAYMENT DATE	AMOUNT DUE	PRINCIPAL AMOUNT ACTUALLY PAID	DATE PAID	SIGNATURE OF AUTHORIZED OFFICIAL AND TITLE

* * *

SECTION 7. The Bond shall be signed by the Mayor of the Issuer for, on behalf of, in the name of and under the corporate seal of the Issuer and attested by the Clerk of the Issuer.

SECTION 8. Subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System, the Bond shall be secured and payable in principal and interest exclusively by a pledge of the income and revenues derived or to be derived from the operation of the System, as now existing and as acquired, constructed, improved and extended with the proceeds of the Bonds or as the System shall hereafter be improved, extended or supplemented from any source whatsoever while the Bonds remain outstanding, including, specifically, all properties of every nature owned by the Issuer and used or useful in the operation of the System, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action. The said income and revenues are hereby irrevocably and irrepealably pledged in an amount sufficient for the payment of the Bonds in principal and interest as they shall respectively mature, 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.

SECTION 9. The Issuer, through its Governing Authority, covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever

necessary, as will always provide revenues in each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest falling due on the Bonds in each year, all reserves or sinking funds or other payments required for such year by this ordinance, and all other obligations or indebtedness payable out of the revenues of the System for such year, and which will provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System in such year, at least equal to 110% of the largest amount of principal and interest maturing on the Bonds in any future fiscal year and on any *pari passu* additional bonds hereafter issued as provided herein; provided, however, that to the extent that revenues derived from other sources are appropriated for System purposes by this Governing Authority, the Issuer's water rates and charges may be correspondingly reduced. The Issuer further covenants:

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

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

(b) The establishment and maintenance of the "Water Revenue Bond and Interest Sinking Fund" (the "Sinking Fund"), to be established and maintained with the Issuer's fiscal agent bank, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds and any *pari passu* bonds issued hereafter in the manner provided by this ordinance by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the Issuer (or such other bank designated by the Issuer with the approval of the Government), monthly in advance on or before the 20th day of each month of each year, a sum equal to the total amount of principal and interest falling due on the next principal and interest payment date for the Bonds (except with regard to the Bond during the first year it is outstanding, a sum equal to one-twelfth (1/12) of the interest falling due on the first payment date of the Bond shall be deposited therein), together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due, provided, however, that to the extent that proceeds of the Bonds are expended for capitalized interest during construction of the Project, transfers from the Revenue Fund to the Sinking Fund will be correspondingly reduced. Said fiscal agent bank shall transfer from the Sinking Fund to any paying agent (if a paying agent other than said fiscal agent bank has been designated by the Issuer with the approval of the Government) or pay directly to the owner, for all bonds payable from the said Sinking Fund, at least three (3) days in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and/or interest so falling due on such date; except, if payment is made by electronic debit, then such debit shall be made on the day payment is due.

(c) The establishment and maintenance of the "Water Revenue Bond Reserve Fund" (the "Reserve Fund"), by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the Issuer (or such other bank designated by the Issuer with the approval of the Government), monthly in advance on or before the 20th day of each month of each year, a

sum (rounded up to the nearest dollar), beginning with the first month following completion and acceptance of the Project, a sum of at least equal to ten percent (10%) of the amount to be paid into the Sinking Fund provided for in paragraph (b) above, the payments into the Reserve Fund to continue until such time as there has been accumulated in the Reserve Fund a sum equal to the highest combined principal and interest falling due in any succeeding fiscal year on the Bonds (the "Reserve Fund Requirement"), the money in the Reserve Fund to be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default. In the event that additional *pari passu* bonds are issued hereafter in the manner provided by this ordinance, the payments into the Reserve Fund shall continue, or if the said payments have ceased because of the accumulation of the maximum amount provided above, then such payments shall be resumed, until such time as there has been accumulated in the Reserve Fund an amount of money equal to the highest combined principal and interest requirements for any succeeding fiscal year on such bonds payable from the Reserve Fund.

(d) The establishment and maintenance of the "Water System Short-Lived Assets Depreciation Fund" (the "Assets Fund") to provide for the maintenance and replacement of short lived assets of the System, by transferring from the Revenue Fund to the regularly designated fiscal agent of the Issuer (or such other bank designated by the Issuer with the approval of the Government), \$6,533 annually, or if funded monthly, then monthly in advance on or before the 20th day of each month of each year, commencing with the month following completion of and acceptance of the Project, a sum of \$544.42 per month, said payments to commence following completion and acceptance of the Project. The Issuer will assess the System's short lived assets needs on a regular basis and adjust the amount deposited to meet these needs and shall advise the Government of any such adjustment.

Subject to the foregoing, which are cumulative, the balance of the excess funds on deposit in the Revenue Fund may be used by the Issuer for the purpose of calling and/or paying bonds payable from the income and revenues of the System or for such other lawful corporate purposes as the Governing Authority may determine, whether or not such purposes are or are not related to the System.

All or any part of the moneys in any of the aforesaid funds and accounts described in subparagraphs (b), (c) and (d) shall, at the written request of the Issuer, be invested in direct obligations of the United States of America or other obligations permitted by Louisiana law, maturing in five (5) years or less, in which event all income derived from investments in the Sinking Fund and the Reserve Fund (once an amount equal to the Debt Service Requirement is on deposit therein) shall be deposited in the Revenue Fund as income and revenues of the System and all income from investments in the Reserve Fund (prior to an amount equal to the Debt Service Requirement being on deposit therein), the Assets Fund shall be added to the appropriate funds. Such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which said respective funds and accounts are herein maintained.

SECTION 10. The Issuer 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 9 hereof. The Issuer 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 Issuer itself, and no discrimination shall be made as to rates and charges for the services and facilities of the System as between users of the same type or class.

The Issuer further agrees that the failure of any individual, partnership or corporation 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 ten (10) days from the date on which it became delinquent, the Issuer will cause to be shut off service to the affected premises; and that the Issuer and this Governing Authority and their 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, shall, after thirty (30) days from the date of delinquency, bear interest at a reasonable rate established by this Governing Authority, which rate shall not be less than six percent (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 re-connection charge.

The Issuer shall place in effect a schedule of water rates sufficient to allow it to meet all requirements set forth in Section 9 hereof, and neither said schedule nor any subsequent schedule shall be reduced at any time unless the maximum debt service reserve provided for in this ordinance has been accumulated as specified in Section 9 hereof and all payments required for all funds by this ordinance, including any deficiencies for prior payments, have been fully made, and unless such schedules as so reduced will in each year thereafter produce sufficient revenues to meet and fulfill the other provisions stated and specified in Section 9 of this ordinance. All schedules of water rates are subject to the approval of the Government.

SECTION 11. The registered owner of the Bonds shall be entitled to exercise all rights for which provision is made in the laws of the State of Louisiana, particularly Sub-Part C, Part I, Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950 and the Act. The owner of the Bonds or any trustee acting for such owner in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Louisiana, or granted in this ordinance, and may compel the performance of all duties required by this ordinance applicable statutes to be performed by the Issuer or by any agency, board or officer

thereof, including the fixing, charging and collecting of rentals, fees or other charges for use of the System, and in general to take any action necessary to protect the rights of said owner.

In the event that default shall be made in the payment of the interest on or principal of the Bonds as the same shall become due, or in the making of the payments into any fund maintained by Section 9 of this ordinance or in the event that the Issuer or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this ordinance, or shall default in any covenant for a period of thirty (30) days after written notice thereof, the owner of the Bonds or any trustee appointed to represent said owners hereinafter provided, shall be entitled as of right to the appointment of a receiver of the System, in an appropriate judicial proceeding in a court of competent jurisdiction.

The receiver so appointed shall forthwith enter into and take possession of the System and shall hold, operate and maintain, manage and control the System, and in the name of the Issuer shall exercise all rights and powers of the Issuer with respect to the System. Such receiver shall collect and receive all fees, rentals and other revenues, maintain and operate the System in the manner provided in this ordinance, and comply under the jurisdiction of the court appointing such receiver with all of the provisions of this ordinance.

Whenever all that is due upon the Bonds and interest thereon, and under any covenants of this 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 ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any owner of the Bonds issued pursuant to this ordinance, 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 shall in the performance of the powers hereinabove conferred upon him be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders of such court and may be removed thereby and a successor appointed in the discretion of such court. Nothing herein contained shall limit the jurisdiction of such court to enter such other and further orders as such court may deem necessary for the exercise by the receiver of any function not specifically set forth herein.

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

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

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

SECTION 12. The Issuer does hereby covenant and warrant so long as any of the Bonds are outstanding and unpaid in principal and/or interest:

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

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

(c) That it will carry full insurance coverage on the System in the manner required by the Government pursuant to the terms of the loan agreement pursuant to which the Government purchased the Bonds and also against those risks and in the amounts normally carried by privately owned public water companies. Said insurance policies shall be issued by a responsible insurance company or companies licensed to do business under the laws of Louisiana.

In case of loss, insurance money received by the Issuer shall be used to promptly repair or replace the property damaged or destroyed or shall be deposited in the Assets Fund to supplement any other amounts required to be paid into said Funds.

(d) That it will maintain separate records and accounts and make full and correct entries of all transactions relating to the System. All books and accounts of the Issuer, including those pertaining to the System, shall be audited annually no later than six (6) months after the close of each fiscal year by a recognized independent firm of certified or registered public accountants, which audit shall reflect all receipts and disbursements of the Issuer, including those made for the account of the System. Such audit shall be furnished upon request to owner of the Bonds, to the Government and to the fiscal agent bank of the Issuer.

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

(f) That except as provided in Section 14 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.

(g) That, to the extent permitted by law, it will not grant a franchise to any water company for operation within the boundaries of the Issuer 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.

(h) That in operating the System it shall require all officers and employees in a position of authority or in possession of money derived from operation of the System to be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds, written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION 13. All of the income and revenues earned from the operation of the System shall be deposited promptly as provided in Section 9 hereof in the Revenue Fund, which shall be maintained with the regularly designated fiscal agent bank of the Issuer as provided herein, separate and apart from all other funds of the Issuer. All of the funds herein provided shall be and constitute trust funds for the purposes provided in this ordinance, and the owner of the Bonds is hereby granted a lien on all such funds and accounts until applied in the manner provided in this ordinance. The moneys in all of such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds by direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States of America, or direct obligations of the State of Louisiana, having a market value of not less than the amount of moneys then on deposit in said funds and accounts, or other security authorized by Louisiana law.

SECTION 14. The Issuer shall issue no other bonds or obligations of any nature payable from or enjoying a lien on the revenues of the System having priority over or parity with the Bonds except that bonds may hereafter be issued on a parity with the Bonds under the following conditions, viz:

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 year in excess of the principal and interest which would have been required in such year to pay the Bonds refunded thereby, then such Bond may not be refunded without the consent of the owners of the unrefunded portion of the Bonds issued hereunder.

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

(a) The net revenues of the System for the fiscal year immediately preceding the year in which such parity bonds are to be issued, as such net revenues may be adjusted to reflect

any increase in user rates which have been adopted and which will take effect prior to a date not less than twelve (12) months after the date of issuance of such parity bonds, are equal to at least 120% of the average annual debt service requirements on all bonds then outstanding, including any bonds or obligations whatsoever then outstanding which are payable from the revenues of the System, and any *pari passu* additional bonds theretofore issued and then outstanding (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption), and the bonds so proposed to be issued; provided, however, that this limitation may be waived or modified by the written consent of the owners of the Bonds then outstanding. (Junior and subordinate bonds may be issued without restriction.)

(b) There must be no delinquencies in the payments required to be made into the various funds provided in Section 9 hereof.

(c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to by the Clerk of the Issuer or by the independent firm of certified or registered public accountants who have previously audited the books of the Issuer, or by such successors thereof as may have been employed for that purpose.

(d) The proceeds of the additional bonds must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System, or refunding prior bonds issued for such purposes.

SECTION 15. The Executive Officers are hereby empowered, authorized and directed to do all things necessary and incidental to carry out the provisions of this ordinance, to cause the necessary Bonds and the hereinafter defined Notes to be printed, lithographed, or otherwise prepared, to issue, execute, seal and deliver the Bonds and the Notes in accordance with the sale thereof, and to collect the purchase price therefor. All of the proceeds derived from the sale of the Bonds and the Notes, shall be deposited in a special Construction Account and used solely for constructing and acquiring the Project, including all appurtenant equipment, accessories and properties, both personal and real, and to pay the cost of the necessary legal, engineering and other incidental costs and fees in connection therewith and in connection with the authorization and issuance of the Bonds and, to the extent necessary, to pay the principal and interest falling due on the Notes, except the proceeds of the Notes cannot be used to pay any principal thereof. The Executive Officers are further authorized to execute such other documents as may be required to establish said Construction Account and are authorized to make appropriate provisions for the payment of interest estimated to accrue on the Bonds during the period of construction by providing for the deposit of moneys from the Construction Account to the Sinking Fund.

SECTION 16. The sale of the Bonds to the Government is hereby ratified and approved. Exercising the power granted to the Issuer under the State law, the Bonds shall be initially physically delivered to the Government; provided, however, that upon delivery thereof the Government may elect to pay for the entire principal amount of the Bonds in full at the time of delivery or elect to make advances against the full purchase price, in which event appropriate recordation shall be made on the Bonds with respect to the advance payments made. Interest on the Bonds will be paid only with respect to the principal amount of the Bonds actually advanced by the Government until such time as the full purchase price of the Bonds shall have been advanced, after which interest will be paid on the full amount of the unpaid principal of the Bonds then outstanding. Upon final payment of the full purchase price of the Bonds, the Issuer

shall furnish to the Government its final Treasurer's Receipt and Non-Litigation Certificate, together with the final approving opinion of Bond Counsel for the Issuer. As payments or advances are made by the Government, the Issuer shall execute and provide an appropriate non-litigation certificate to the Government certifying that up to the time of making such payment or advance, no litigation has been filed questioning the validity of the Bonds or the revenues necessary to pay the same. The Issuer shall also furnish to the Government at the time the Bonds are delivered to the Government the appropriate approving opinion of its Bond Counsel.

SECTION 17. It is hereby acknowledged and recognized that the obtaining of interim financing ("Interim Financing") for the construction of the Project is a prerequisite to obtaining permanent financing for the Project through the delivery of the Bonds to the Government. Subject to the approval of the State Bond Commission, Interim Financing is hereby authorized through the issuance of the hereinafter described Taxable Bond Anticipation Note (Water) of the Issuer in accordance with the provisions of Section 528 of Title 39 of the Louisiana Revised Statutes of 1950 (R.S. 39:528), as amended, and other constitutional and statutory authority. The Note shall be issued in the form of a single fully registered Taxable Bond Anticipation Note (Water) numbered R-1 which shall be in the principal amount of \$2,762,000, dated the date of delivery thereof, shall bear interest at the rate of 1.95% per annum and shall mature two (2) years from the date thereof. The interest on the Note shall be payable in lawful money of the United States of America semiannually, commencing approximately six months from the date thereof, and on the maturity date or prepayment date. The principal of the Note shall be payable in lawful money of the United States of America upon presentation and surrender of the Note to the Issuer on the maturity date or such earlier date on which the Note may be called for prepayment. The principal of the Note, upon maturity or prepayment, and the interest and hereinafter defined Administrative Fee thereon are payable in lawful money of the United States of America.

The Note shall have such series designation as reflects the year in which it is delivered.

If the Department is the registered owner of this Note, the Issuer 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 Note, payable on each Interest Payment Date (the "Administrative Fee"). In the event (i) the Department owns this Note or the Department has pledged or assigned this Note in connection with its Drinking Water Revolving 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 "Annual Interest Rate" shown in the foregoing table and borne by this Note 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.

SECTION 18. The purchase price of the Note shall be advanced to the Issuer by the purchaser thereof on an "*as needed basis*". Such advances of the purchase price of the Note shall only be made by the Department upon presentment of payment requests pertaining to the Project which shall have been approved in accordance with the requirements of the Government, which shall include the approval of the Consulting Engineer, a representative of the Government

and a representative of the Issuer. Interest shall accrue on the Note only on the amounts of the purchase price paid to the Issuer from the respective dates of such advances.

SECTION 19. The Note shall be subject to prepayment at any time at a price equal to the principal amounts thereof advanced to the Issuer plus accrued interest and Administrative Fee to the date of prepayment.

SECTION 20. The Note shall be fully registered as to principal and interest, and no transfer or assignment shall be valid unless made on the Note Registration Book maintained by the Clerk of the Issuer as registrar and similarly noted on the back of the Note. Upon such transfer or assignment, the transferor or assignor shall surrender the Note for transfer on said registration records and certification of endorsements made on the Note.

SECTION 21. The Note and the certificates and the endorsements to be attached thereto shall be substantially in the form attached as Exhibit "A" hereto.

SECTION 22. The Note shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, and the Executive Officers are further empowered, authorized and directed to cause the necessary Note to be printed or lithographed and to be properly executed.

SECTION 23. Upon surrender of the Note for payment or prepayment, the Note shall be promptly canceled by the Registrar.

SECTION 24. The Note shall constitute a limited and special obligation of the Issuer, the principal and interest of which is payable from the proceeds to be derived from the sale and issuance of the Bonds, or from the sale of additional bond anticipation notes which may be issued after their due authorization to refund the Notes (herein referred to as "Refunding Notes"), 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 the reasonable and necessary expenses of operating and maintaining the System. The Issuer hereby covenants to use its best efforts to issue the Bonds or the Refunding Notes in a principal amount sufficient, together with other funds available therefor, to pay the principal of the Note at maturity. The Issuer further covenants to budget a sufficient sum of money to pay the interest and principal when due on the Note to the extent such interest is not paid from the proceeds of the Note. The Note does not constitute a general obligation of the Issuer. Neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of the Note. The issuance of the Note shall not directly or indirectly or contingently obligate the Issuer to levy or to pledge any ad valorem taxes whatever therefor, and the owners of the Note shall have no recourse to the power of ad valorem taxation for payment of principal of and/or interest on the Note.

SECTION 25. The Issuer covenants that it will pay directly to the owner of the Note, or deposit or cause to be deposited, as appropriate, from the moneys derived from the issuance of the Bonds and/or from other funds available to the Issuer for such purpose, funds fully sufficient to pay promptly the principal and interest on the Note falling due on their due date or earlier prepayment.

SECTION 26. The Governing Authority recognizes that the Note will be sold to the Department pursuant to its Drinking Water Revolving Loan Fund Program. In connection with this sale, the Issuer and the Department will enter into the Loan Agreement presented by the Department to the Issuer pertaining to the Notes and the Project, which Loan Agreement shall be substantially in the form attached as Exhibit B hereto. The Executive Officers are hereby authorized to execute such Loan Agreement on behalf of and under the seal of the Issuer in substantially the form attached hereto with such changes, additions and deletions as shall in the sole opinion of the Issuer, upon advise of Bond Counsel, be deemed, the form and content of which Loan Agreement are hereby approved by this Governing Authority. So long as the Department owns any portion of the Note, then to the extent that any provision of this ordinance is inconsistent with or contrary to any provision of the Loan Agreement, the applicable provision of the Loan Agreement shall control. As shall be provided in the Loan Agreement, the Issuer shall comply with certain provisions of the Loan Agreement, as specified herein, regardless of whether or not the Department is the owner and regardless of any prepayment or defeasance of the Note prior to their final stated maturity. The Executive Officers are further authorized to enter into any supplemental loan agreement with the Department which may be required to carry out the provisions of this ordinance.

With the advice of Bond Counsel, the Executive Officers are further authorized and directed to execute on behalf of the Issuer a Commitment Agreement by and between the Department and the Issuer which the Department may require as a prerequisite to the execution of the Loan Agreement, said Commitment Agreement to be substantially in the form of the Commitment Agreement on file with the Clerk of the Issuer.

SECTION 27. In case any one or more of the provisions of this ordinance or of the Bonds or of the Note shall for any reason be held to be illegal or invalid, such illegality and invalidity shall not affect any other provisions of this ordinance or of the Bonds or the Note, but this ordinance, the Bonds and the Note shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision hereafter enacted which validates or makes legal any provision of this ordinance or the Bonds or the Note which would not otherwise be valid or legal, shall be deemed to apply to this ordinance, to the Bonds and to the Note.

SECTION 28. The provisions of this ordinance shall constitute a contract between the Issuer and the registered owner from time to time of the Bonds (and during the period the Note is outstanding, the registered owner of the Note) and the provisions of such contract shall be enforceable by appropriate proceedings to be taken by such owners, either at law or in equity.

No material modification or amendment of this ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the owner of the Bonds (and during the period the Note is outstanding, the registered owner of the Note).

SECTION 29. This Governing Authority, having investigated the regularity of the proceedings had in connection with the issue of both the Notes and Bonds, and having determined the same to be regular, the Notes and the Bonds shall contain the following recital, to-wit:

“It is certified that this ‘Bond’ or ‘Note’ (as appropriate) is authorized by and is issued in conformity with the requirements of the Constitution and statutes of this State.”

SECTION 30. A copy of this ordinance shall be published immediately after its adoption in one issue of the official journal of the Issuer. For a period of thirty (30) days from the date of such publication any person in interest shall have the right to contest the legality of this ordinance or of the Bonds and/or the Note and the provisions securing the Bonds and the Note. After the expiration of said thirty (30) days, no one shall have any right of action to contest the validity of the Bonds, the Note or the provisions of this ordinance, and the Bonds and Note shall be conclusively presumed to be legal, and no court shall thereafter have authority to inquire into such matters.

SECTION 31. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the “Code”) in order to establish, maintain and preserve the exclusion from “gross income” of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the Bonds or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be “arbitrage bonds” or would result in the inclusion of the interest on the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate or arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds”.

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

- (a) the Bonds are not private activity bonds within the meaning of the Code; and
- (b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Issuer and all subordinate entities in calendar years 2018, 2019 or 2020 will not exceed \$10,000,000.

The Executive Officers are hereby empowered, authorized and directed to take any and all action to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 32. The Issuer will not be required 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)], because:

(a) neither the Bond nor the Notes are being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities; and

(b) both the Bond and the Notes are in denominations of \$100,000 or more and are being sold to no more than two financial institutions which (i) have such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the Certificate and (ii) are not purchasing said Bond or Notes for more than one account or with a view to distributing same.

SECTION 33. The Executive Officers and/or their designees are directed to establish written procedures to assist the Issuer in complying with various State and Federal statutes, rules and regulations applicable to the Bonds 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 Bonds.

SECTION 34. This ordinance shall take effect immediately upon its adoption.

The final adoption of the foregoing ordinance having been duly moved and seconded, the roll was called and the following vote was taken and recorded:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Sherry Howell	x	_____	_____	_____
Phyllis Catalon Johnson	x	_____	_____	_____
Kenneth Picard	x	_____	_____	_____

There being a favorable vote on the ordinance of at least a majority of the authorized members of the Governing Authority, the ordinance was declared adopted on this the 17th day of October, 2018.

/s/ Joan Methvin
Acting Clerk

Presented to Mayor on October 17, 2018 for action as evidenced by his signature:

Approved: /s/ Wayne Theriot
Mayor
Disapproved: _____

Presented to Clerk on October 17, 2018.

The following Exhibits are available for review during normal business hours at the office of the Clerk, Village of Maurice, 115 West Corine Street, Maurice, Louisiana, 70555.

- EXHIBIT A: FORM OF BOND
- EXHIBIT B: FORM OF LOAN AND PLEDGE AGREEMENT