

The following ordinance (the "**Bond Ordinance**"), having previously introduced on July 8, 2021 and a public hearing having been held thereon on July 22, 2021 was offered by _____ and seconded by _____:

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE OF SEVEN MILLION NINETY FIVE THOUSAND DOLLARS (\$7,095,000) WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021, OF THE CITY OF TALLULAH, STATE OF LOUISIANA; PRESCRIBING THE FORM, TERMS AND CONDITIONS OF SAID BONDS; DESIGNATING THE DATE, DENOMINATION AND PLACE OF PAYMENT OF SAID BONDS; PROVIDING FOR THE PAYMENT THEREOF IN PRINCIPAL AND INTEREST; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City of Tallulah, Parish of Madison, State of Louisiana (the "**City**" or "**Issuer**") is a political subdivision of the State of Louisiana (the "**State**") created and existing pursuant to the Constitution and laws of the State; and

WHEREAS, the Issuer owns, operates and derives revenue from a water system (the "**System**"), serving the Issuer, its residents and businesses; and

WHEREAS, the Issuer has previously issued its: (i) Five Million, Two Hundred Seventy-Five Thousand Dollars (\$5,275,000) Water Revenue Bonds, Series 2012 (the "**Series 2012 Bonds**"); and (ii) Four Million, Six Hundred Sixty-Five Thousand Dollars (\$4,665,000) Water Revenue Refunding Bonds, Series 2016 (the "**Series 2016 Bonds**," and together with the Series 2012 Bonds, the "**Refunded Bonds**"); and

WHEREAS, the Issuer desires to provide for a current refunding of all the Refunded Bonds to realize debt service savings; and

WHEREAS, this City Council, acting as of the governing authority (the "**Governing Authority**"), of the Issuer pursuant to the provisions of Chapters 14 and 14-A of Title 39 of the

Louisiana Revised Statutes of 1950, as amended (collectively, the "**Refunding Act**") desires to issue Seven Million Ninety Five Thousand Dollars (\$7,095,000) of its Water Revenue Refunding Bonds, in one or more series (the "**Bonds**") for the purposes of, along with funds on deposit, for: (i) a current refunding of all of the Refunded Bonds; (ii) funding a debt service reserve fund; and (iii) paying the costs of issuing the Bonds (collectively, the "**Refunding**"); and

WHEREAS, the Bonds will be special and limited revenue obligations of the Issuer secured by and payable solely from revenues derived from the ownership and operation of the System, after the payment of the reasonable and necessary costs of operating and maintaining the System (the "**Net Revenues of the System**"); and

WHEREAS, it is the desire of this Governing Authority, pursuant to this Bond Ordinance, to provide for the definitive authorization, issuance and sale of the Bonds in the principal amounts herein, to fix the details necessary with respect to the issuance of the Bonds, to provide for the awarding of the Bonds to the purchaser thereof and to provide for other matters in connection therewith;

NOW, THEREFORE, BE IT ORDAINED, by the Governing Authority of the Issuer, that:

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions. As used herein, the terms used herein shall have the meanings ascribed to such terms as set forth in **Exhibit "A"** attached hereto, unless the context otherwise requires.

SECTION 1.2. Interpretation. In this Bond Ordinance, unless the context otherwise requires:

- (a) Articles, sections and paragraphs referred to by number shall mean the corresponding Articles, sections and paragraphs of this Bond Ordinance.

- (b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations, or other legal entities, including public bodies, as well as natural persons.
- (c) The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms, as used in this Bond Ordinance refer to this Bond Ordinance or sections or paragraphs of this Bond Ordinance and the term "hereafter" means any date after the date of adoption of this Bond Ordinance.

SECTION 1.3. Limitation of Liability. THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER, AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE, THE PARISH, OR THE ISSUER (EXCEPT TO THE EXTENT SET FORTH HEREIN), OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE, THE PARISH OR THE ISSUER OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE BONDS ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE NET REVENUES OF THE SYSTEM PURSUANT TO THIS BOND ORDINANCE.

SECTION 1.4. Remedies. Nothing expressed or implied in this Bond Ordinance is intended or shall be construed to confer upon or to give any Person, other than the Issuer, the Paying Agent/Registrar and the Owners of the Bonds, any right, remedy or claim under or by reason of this Bond Ordinance or any covenant, agreement, condition or stipulation hereof.

ARTICLE II
AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.1. Authorization and Designation.

- (a) This Bond Ordinance creates a series of bonds of the Issuer to be designated "Water Revenue Refunding Bonds, Series 2021" of the City of Tallulah, State of Louisiana (the "**Bonds**") and provides for the full and final payment of the principal or redemption price of, and interest on all the Bonds.

- (b) The Bonds shall be in an aggregate principal amount of Seven Million Ninety Five Thousand Dollars (\$7,095,000) at rate of interest of one and eighty-five hundredths per centum (1.85%) per annum and to mature September 1, 2032, all in the manner provided for by the Refunding Act, for the purposes of the Refunding.

- (c) The Bonds issued under this Bond Ordinance shall be issued for the purposes of the Refunding.

- (d) Provision having been made for the orderly payment until maturity of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Bonds under this Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer incidental to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds, except to assure that the Refunded Bonds will be defeased pursuant to the terms of the bond ordinance of the Governing Authority which authorized their issuance, and the Refunding Act.

SECTION 2.2. Denominations, Dates, Maturities and Interest. The Bonds shall initially be issued in form of a single term bond numbered R-1 in Authorized Denominations and

shall be dated the date of delivery thereof, shall bear interest from date thereof on a 30/360 basis or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on September 1, 2021, and semiannual thereafter on March 1 and September 1 of each year. The Bonds shall be issued initially in the form of one (1) Term Bond in the full principal amount at the interest rate per annum as follows:

<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
\$7,095,000	1.85%	September 1, 2032

Upon the occurrence of an Event of Default, the Bonds shall bear interest at the Default Rate during the time that such Event of Default continues to exist. If the Default Rate is reduced due to the Statutory Maximum being less than five percent (5%) per annum (the "**Lender's Default Rate**"), then (i) interest at the Default Rate shall be due and payable during such period of default and, in addition, (ii) a fee in an amount equal to the difference between (A) the Default Rate and (B) the Lender's Default Rate (the "**Excess Default Fee**") shall be deferred until such date as the rate of interest calculated in accordance with the terms thereof ceases to exceed the Default Rate or the Bonds are paid in full, at which time the Issuer shall pay to the Lender, such portion of the deferred Excess Default Fee as will cause the rate of interest then paid to the Lender to equal the Lender's Default Rate. The Excess Default Fee shall not be deemed to be an increase in the interest rate on the Bonds and nothing herein shall result in the interest rate being increased above the Statutory Maximum.

In the event of a Determination of Taxability, or an amendment to the Code requiring interest on the Bonds to be included in the gross income of the Lender for federal tax purposes, the interest rate on the Bonds shall be adjusted at the written direction of the Lender to provide an after-tax yield on the then outstanding principal amount of the Bonds at least equal to the after-tax yield the Lender would have received if a Determination of Taxability or the amendment to the Code described herein had not occurred. In such event, the Issuer shall execute and deliver a substitute Bond to the Lender, which shall be duly authenticated by the Paying Agent. If the rate of interest payable hereunder shall exceed the Statutory Maximum for any period for which interest is payable, then (i) interest at the Statutory Maximum shall be due and payable with respect to such interest period and (ii) a fee in an amount rate equal to the difference between

(A) the rate of interest calculated in accordance with the terms hereof and (B) the Statutory Maximum (the "**Excess Fee**") shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Issuer shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Fee as will cause the rate of interest then paid to the Lender to equal the Statutory Maximum, which payments of deferred Excess Fee shall continue to apply to such unpaid amounts hereunder until all deferred Excess Fee is fully paid to the Lender, together with interest thereon at the Federal Funds Rate. The Excess Fee shall not be deemed to be an increase in the interest rate on the Bonds. "Federal Funds Rate" means, for any day, the rate per annum (rounded upwards to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Lender by federal funds dealers selected by Lender on such day on such transaction as determined by Lender.

The principal of the Bonds, upon maturity or redemption, shall be payable at the principal office of the Paying Agent, upon presentation and surrender thereof, and interest on the Bonds will be payable by wire transfer or check mailed by the Paying Agent to the Owner (determined as of the Record Date) at the address shown on the Bond Register. Each Bond delivered under this Bond Ordinance upon transfer or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond, and each such Bond shall bear interest (as herein set forth) so that neither gain nor loss in interest shall result from such transfer, exchange or substitution. No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of registration, substantially in the form provided in this Bond Ordinance, executed by the Paying Agent by manual signature.

SECTION 2.3. Purpose of the Bonds. The Bonds are being issued by the Issuer for the purpose of the Refunding.

SECTION 2.4. Form of Bonds. The Bonds shall be in substantially the form set forth in **Exhibit "B"** hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Refunding Act and this Bond Ordinance, as deemed necessary by the Authorized Officers of the Issuer upon advice of the Municipal Advisor.

SECTION 2.5. Determination of the Structure of the Bonds. The Bonds may be issued in multiple series and classes within a series or subseries, if desirable. The exact details of each series or subseries, if desirable, of the Bonds (which shall be established in accordance with the parameters set forth in this Bond Ordinance) shall be established in accordance with the execution and delivery by the Issuer of a Placement Agent Agreement (which execution by the Authorized Officers is authorized in Article XI hereof, and which Placement Agent Agreement, subsequent to such execution and delivery, shall be a valid and binding obligation of the Issuer). The terms of the Bonds as set forth in the Placement Agent Agreement shall be established in the final form of the Bonds upon delivery.

SECTION 2.6 Security for Bonds. The Bonds shall be secured by and payable from a pledge and dedication of the Net Revenues of the System held in the "Proprietary Fund" established by the Issuer for the System in accordance with La. Admin. Code title. 28, pt. XLI, § 505. This form of accounting expresses the intent of the Issuer that the costs (expenses, including depreciation) of providing services of the System to the general public on a continuing basis be financed or recovered primarily through user charges and other Net Revenues of the System on a "stand alone" basis.

SECTION 2.7. Issuer's Obligation to Collect Revenues. In compliance with the laws of the State, the Issuer, through the Governing Authority, by proper ordinance and/or ordinances is obligated to cause the Net Revenues of the System to continue to be collected and allocated until all the Bonds of the Issuer have been retired as to both principal and interest, or provision therefor has been made in accordance with Section 14.1 hereof, and further, the Issuer shall not discontinue

or terminate or permit to be discontinued or terminated the Net Revenues of the System in anticipation of collection of which the Bonds have been issued, nor in any way make any change which would adversely affect the amount of the Net Revenues of the System to be received by the Issuer until all of the Bonds of the Issuer have been retired as to both principal and interest, or provision therefor has been made in accordance with Section 14.1 hereof.

SECTION 2.8. Method and Place of Payment. The principal and interest on the Bonds shall be payable in lawful money of the United States of America. Such amounts shall be paid by the Paying Agent on the applicable Payment Dates, by wire by the Paying Agent to the Purchaser on the applicable Record Date pursuant to wire instructions provided by the Purchaser.

SECTION 2.9. Ordinance to Constitue Contract. In consideration of the purchase and acceptance of the Bonds by those who shall own the same from time to time the provisions of this Bond Ordinance shall be a part of the contract of the Issuer with the Purchaser of the Bonds and shall be deemed to be and shall constitute a contract of the Issuer and the Purchaser from time to time of the Bonds. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owner of any and all of the Bonds, each of which Bonds, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Bond Ordinance.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 3.1. Execution. Unless otherwise prescribed by any amendment of or supplement to this Bond Ordinance, the Bonds shall be executed in the name of and on behalf of the Issuer by the Authorized Officers. Such officers may employ facsimiles of their signatures. In case any officer whose signature or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signatures or such facsimiles shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office.

SECTION 3.2. Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth on the form of the Bond in **Exhibit "B"** hereto shall have been duly executed on behalf of the Issuer by a duly authorized signatory, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Bond Ordinance.

SECTION 3.3. Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to-wit:

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

ARTICLE IV FUNDS AND ACCOUNTS

SECTION 4.1. Funds and Accounts. (a) In order that the principal of and interest on the Bonds will be paid in accordance with their terms and for the other objects and purposes hereinafter provided, the following special trust funds are hereby established, to be maintained and held by the Issuer's Fiscal Agent Bank, or the Paying Agent in accordance with the Paying Agent Agreement, at the option of the Governing Authority of the Issuer, for and on behalf of the holders of the Bonds:

- i. The Water System Revenue Fund (the "**Revenue Fund**") previously established and maintained in a separate and special bank account with Fiscal Agent Bank; and
- ii. The Series 2021 Bond Proceeds Fund (the "**Bond Proceeds Fund**" and within the Bond Proceeds Fund, the Refunding Account (the "**Refunding Account**") and the Series 2021 Cost of Issuance Account (the "**Cost of Issuance Account**"); and

- iii. The Series 2021 Debt Service Fund (the "**Debt Service Fund**") established and maintained by the Paying Agent; and
- iv. The Series 2021 Debt Service Reserve Fund (the "**Reserve Fund**") established and maintained by the Paying Agent.

Additional accounts may be created pursuant to the Paying Agent Agreement, if determined to be necessary by Bond Counsel and the Municipal Advisor.

(b) **Establishment of Bond Proceeds Fund, Refunding Account and the Cost of Issuance Account.** There is hereby created and established with the Paying Agent the Bond Proceeds Fund and the following special and irrevocable accounts therein to be known as:

- i. Refunding Account, to which shall be transferred from the Bond Proceeds Fund, an amount, together with amounts held on account with the Issuer for the Refunded Bonds, and which shall be used solely for the purpose of providing for a full redemption of the Refunded Bonds; and
- ii. Cost of Issuance Account into which shall be deposited an amount of Bond Proceeds for the purpose of paying the Cost of Issuance and applied by the Paying Agent in accordance with the Closing Memorandum.
- iii. Funds in the Bond Proceeds Fund and related accounts shall be held in the custody of the Paying Agent separate and apart from other funds of the Issuer and the Paying Agent. Funds in the Refunding Account shall be applied by the Paying Agent to provide a full redemption of the Refunded Bonds in accordance with the Paying Agent Agreement. Funds in the Cost of Issuance Account shall be used to pay Costs of Issuance in accordance with the Paying Agent Agreement. Receipt of a true and correct copy of this Bond Ordinance is hereby acknowledged by the Paying Agent, and referenced herein or citation herein of any provision of said Bond Ordinance

shall be deemed incorporate the same as a part hereof in the same manner and with the same effect as if fully set forth herein.

(c) **The Revenue Fund.** All of the System Revenues shall continue to be deposited as the same may be collected to the credit of the Issuer in the Revenue Fund previously established and maintained with the regularly designated Fiscal Agent of the Issuer. Moneys on deposit in the Revenue Fund shall constitute dedicated funds of the Issuer, from which appropriations and expenditures by the Issuer shall be made as directed herein. Amounts on deposit in the Revenue Fund, after payment of all operating and maintenance expenses, shall be disbursed in the following manner at the times, in the priorities and in the amounts and order as follows:

- i. The maintenance of the Debt Service Fund sufficient in amount to pay promptly and fully the principal of and 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 Paying Agent, monthly in advance on or before the twentieth (20th) day of each month of each year, commencing the twentieth (20th) day of the next month following the month in which the Bonds are issued, a sum equal to: (i) one-sixth (1/6th) of the interest falling due on the next Interest Payment Date of the Bonds and any Additional Parity Bonds; (ii) one-twelfth (1/12th) of the principal falling due on the next Principal Payment Date of the Bonds and any Additional Parity Bonds, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due.

To the extent that additional amounts are required to be deposited in the Debt Service Fund to make principal, premium, if any, and interest payments on the Bonds on any due date, the Issuer shall cause its Fiscal Agent Bank to transfer from amounts in the Revenue Fund to the Debt

Service Fund, at least five (5) Business Days in advance of such due date, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

- ii. Subject to the foregoing, which are cumulative, the balance of funds remaining in the Revenue Fund on the twentieth (20th) day of each month in excess of all operating and maintenance expenses, and after making the required payments into the Debt Service Fund and the Reserve Fund shall be considered surplus and may be used by the Issuer for the purpose of redeeming Bonds in the manner set forth in this Bond Ordinance, or for any lawful purposes.

- (d) **The Debt Service Fund.** The Debt Service Fund shall be established and maintained by the Paying Agent. Moneys on deposit in the Debt Service Fund shall constitute dedicated funds of the Issuer, from which appropriations and expenditures by the Issuer or the Paying Agent shall be made solely for the purposes of paying the principal of, interest on, and redemption premium, if any, of the Bonds as they severally become due and payable.

In the event there are insufficient funds to make the required payments on the Bonds, the Paying Agent shall draw funds from the Reserve Fund to make such payments to the Bondholders, as more fully described in paragraph (e) below.

Monies on deposit in the Debt Service Fund may be invested and reinvested upon written direction of the Issuer in Qualified Investments, provided that Bond Proceeds representing accrued interest, if any, shall be invested in Government Securities, maturing prior to the first Interest Payment Date, and provided further that such investments mature at such times as will not interfere with payments required to be made from the Debt Service Fund pursuant to this Bond Ordinance or the Paying Agent Agreement. All income derived from such investments shall be added to the Debt Service Fund, and such investments shall, to the extent at any

time necessary, be liquidated and the proceeds thereof applied to the purposes for which the Debt Service Fund is herein created.

- (e) **The Reserve Fund.** The Reserve Fund and accounts therein, established and maintained with the Paying Agent in an amount equal to the Series 2021 Reserve Fund Requirement to be deposited therein on the Closing Date, are to be retained solely for the purpose of paying the principal of and the interest on bonds payable from the Debt Service Fund as to which there would otherwise be default (except such amounts, if any, as may be payable to the United States of America as a rebate of arbitrage pursuant to Section 148(f) of the Code). Moneys in the Reserve Fund shall be used to secure and make payments solely on the Bonds (and not on any other issues) as to which there would otherwise be default.

If at any time it shall be necessary to use monies in the Reserve Fund for the purpose of paying principal or interest on the Bonds payable from the Debt Service Funds as to which there would otherwise be a default, then the monies so used shall be replaced from transfers from the Reserve Fund of Net Revenues of the System first thereafter received, and not hereinabove required for payments into the Debt Service Fund, it being the intention hereof that there shall as nearly as possible be at all times in the Reserve Fund the Series 2021 Reserve Fund Requirement.

If at any time monies in the Reserve Fund are used for the purpose of paying principal, premium, if any, or interest on the Bonds as to which there would otherwise be a default, the Reserve Fund must be replenished to its requirement within twelve months by transfers from the Revenue Fund to the Reserve Fund on or before the twentieth (20th) day of each month of each year of a sum sufficient to comply with the requirement of this sentence. The payments into the Reserve Fund shall be made and continue until such time as there has been accumulated in the Reserve Fund a sum equal to the Series 2021 Reserve Fund Requirement.

At any time that amounts in the Reserve Fund exceed the Series 2021 Reserve Fund Requirement, and provided that no default or event of default has occurred or exists under this Bond Ordinance, monies in the Reserve Fund in excess of the Series 2021 Reserve Fund Requirement may be transferred to the Debt Service Fund and applied towards the next principal and/or interest payment on the Bonds or released to the Issuer.

In the event that Additional Parity Bonds are issued, then the Issuer may establish additional accounts for each such series of Additional Parity Bonds if required in connection with the issuance of such Additional Parity Bonds, each such account to be designated as the "Series (insert series designation) Account." Moneys in the accounts of the Reserve Fund established hereunder shall be retained solely for the purpose of paying the principal of and interest on the respective series of bonds payable from the Debt Service Fund as to which there would otherwise be default (initially the Bonds). With respect to accounts that may be required in connection with the issuance of Additional Parity Bonds, the Issuer may satisfy respective reserve fund requirements by cash, Permitted Investments of sufficient value or a surety bond or insurance policy, or any combination of the foregoing.

SECTION 4.2. Deposit of Bond Proceeds and Other Funds. The net Bond Proceeds, along with funds on deposit, shall be applied by the Paying Agent, as specifically set forth in the Closing Memorandum.

The Paying Agent shall disburse funds in the Refunding Account for the payment in full of the Refunded Bonds on the date and pursuant to instructions set forth in the Closing Memorandum.

The Paying Agent shall deliver funds in the Cost of Issuance Account pursuant to instructions set forth in the Closing Memorandum upon receipt of invoices from the receipts of such amounts.

All or any part of the moneys in the Refunding Account expected to be held more than thirty (30) days shall, at the written request of the Issuer, be invested in Qualified Investments maturing prior to the redemption date of the Refunded Bonds. If there are any amounts remaining in the Refunding Account after redemption in full of the Refunded Bonds, then such remaining funds shall be transferred to the Issuer for deposit in the Debt Service Fund. Funds remaining in the Cost of Issuance Account after the date established in the Paying Agent Agreement, shall also be deposited into the Debt Service Fund.

SECTION 4.3. Funds to Constitute Trust Funds. The Revenue Fund, the Debt Service Fund and the Reserve Fund provided for in Section 4.1 hereof shall all be and constitute trust funds for the purposes provided in this Bond Ordinance, and the Owners of Bonds issued pursuant to this Bond Ordinance are hereby granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank trust company holding such funds in the manner required by the laws of the State.

SECTION 4.4. Method of Valuation and Frequency of Valuation. In computing the amount in any fund provided for in Section 4.1, investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. With respect to the sinking funds, valuation shall occur annually. If any investment in the sinking fund ceases to be a Qualified Investment, then such non-conforming investment shall be sold or liquidated and the proceeds thereof invested in Qualified Investments.

ARTICLE V

REDEMPTION OF BONDS

SECTION 5.1. Optional Redemption. The Bonds shall be subject to optional redemption by the Issuer, in whole, on any Interest Payment Date on or after September 1, 2027, at par plus accrued interest to the date of redemption, in the manner provided in this Bond Ordinance.

SECTION 5.2. Mandatory Scheduled Redemption. The Bonds are subject to Mandatory Scheduled Redemption (without notice) and shall be redeemed prior to their maturity (and without further notice to the Owner(s) or the Paying Agent) by payment of scheduled installments, on each of the dates set forth below and in the respective principal amount set forth opposite each such date, as follows:

<u>Year (September 1)</u>	<u>Principal Amount</u>
2021	\$270,000
2022	620,000
2023	610,000
2024	610,000
2025	630,000
2026	635,000
2027	650,000
2028	665,000
2029	675,000
2030	685,000
2031	700,000
2032	345,000

If a Determination of Taxability occurs, at the option of the Issuer, all the Bonds may be redeemed in whole but not in part following receipt by the Issuer of written notice of such Determination of Taxability at a redemption price equal to 100% of the unpaid principal balance of the Bond Outstanding, plus accrued interest thereon to the date fixed for redemption at the Taxable Adjusted Rate from the date of Determination of Taxability.

SECTION 5.3. Notice of Redemption.

- (a) In the event any of the Bonds are called for optional redemption, the Paying Agent shall give notice, in the name of the Issuer, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Paying Agent) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear

interest. Such notice shall be given by mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to each Owner of the Bonds to be redeemed at its address shown on the Bond Register kept by the Paying Agent; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

- (b) Any Bonds and portions of Bonds which have been duly selected for redemption and which are paid as set forth herein shall cease to bear interest on the specified redemption date.

In the case of any redemption in part of the Bonds, the Bonds to be redeemed will be selected by the Issuer, subject to the requirements of this Bond Ordinance. If less than all of the Bonds outstanding of a series are called for redemption under any provision of this Bond Ordinance permitting partial redemption, the particular Bonds of such series to be redeemed will be selected by the Paying Agent, in such a manner as the Paying Agent in its discretion may deem fair and appropriate.

ARTICLE VI ISSUER COVENANTS

SECTION 6.1. Payment of Bonds. The Issuer shall budget in each Fiscal Year sufficient Net Revenues of the System to make all payments required by Section 2.8 in such Fiscal Year, and shall also duly and punctually pay or cause to be paid as herein provided, the principal, redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

SECTION 6.2. Tax Covenants/Bank Qualified Designation.

- (a) To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from

"gross income" of interest on the Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code or would result in the inclusion of the interest on any Bond in "gross income" under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of the proceeds of the Bonds, (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America, or (iii) the use of proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds" under the Code.

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

- (f) The Governing Authority of the Issuer certifies and covenants that so long as the Bonds remain outstanding, moneys on deposit in any fund in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or ruling or regulations promulgated thereunder.

SECTION 6.3. Records and Accounts; Audit Reports. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the collection and expenditure of the System Revenues.

Not later than two hundred seventy (270) days after the close of each Fiscal Year, the Issuer shall 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. Such audit shall be available for inspection upon request by the Purchasers of the Bonds. The Issuer further agrees that the Purchaser of the Bonds shall have at all reasonable times the right to inspect the records, accounts and data of the Issuer relating to the System, including the System Revenues and the Revenue Fund.

SECTION 6.4. Rate Covenant of the Issuer. In providing for the issuance of the Bonds, the Issuer does hereby covenant, through its Governing Authority, by proper resolutions and/or ordinances, hereby covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each Fiscal Year as follows: (a) sufficient to pay (i) the reasonable and necessary expenses of operating and maintaining the System in such year; (ii) all other obligations or indebtedness payable out of the revenues of the System for such year; and (b) after paying all reasonable and necessary expenses of operating and maintaining the System, at least equal to 125% of the principal and interest maturing on the Bonds and any Additional Parity Bonds in such Fiscal Year.

In the event and to the extent that the revenues of the System are insufficient to satisfy the obligations payable from the funds and accounts described in Section 4.2 above, or the rate covenant contained in this Section, the Issuer may take into account other lawfully available sources of funding, provided that the amount of such funding shall be actually budgeted for such purposes at the beginning of each Fiscal Year.

SECTION 6.5. Schedule of Rates and Charges. 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 6.4 hereof. No discrimination shall be made as to rates and charges for the services and facilities of the System as between users of the same type or class.

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

The Issuer 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 twenty (20) 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 twenty (20) days from the date on which it became delinquent, the Issuer will take steps to cause water service to be shut off to the affected premises; and that the Issuer and this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for service shall on the date of delinquency have added thereto a penalty in such amount as may be determined by this Governing Authority, and the amount so due, including the penalty charge, may, in the discretion of this Governing Authority, after ten (10) days from the date of the delinquency, bear interest at a reasonable rate to be established by the Governing Authority, which rate shall not be less than six per centum (6%) per annum. If services are discontinued as above provided, the customer shall, in addition to paying the delinquent charges, penalties and interest, pay as a condition precedent to the resumption of service a reasonable reconnection charge.

It is further understood and agreed that the schedule of rates, fees, rents and other charges being charged as of the date of the adoption of this Bond 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 6.4 of this Bond Ordinance.

SECTION 6.6. Indemnity Bonds. So long as any of the Bonds are outstanding and unpaid, the Issuer 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 the System Revenues, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss. The Bond Proceeds Fund and the Revenue Fund, provided for in Section 4.2 hereof shall all be and constitute trust funds for the purposes provided in this Bond Ordinance. The moneys in 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 the United States of America, the State of Louisiana, the Issuer, or any other political subdivision of the State located in the Issuer, having a market value of not less than the amount of money then on deposit in said funds

ARTICLE VII

SUPPLEMENTAL BOND ORDINANCES

SECTION 7.1. Amendments to Bond Ordinance. No material modification or amendment of this Bond Ordinance, or of any ordinance amendatory hereof or supplemental hereto, may be made without the consent in writing of the Purchaser of the Bonds then outstanding; provided, however, that no such modification or amendment shall permit a change in the maturity of the Bonds or the redemption provisions thereof, or a reduction in the rate of interest thereon, or the promise of the Issuer to pay the principal of and the interest on the Bonds as the same shall come due from the Net Revenues of the System, or reduce the percentage of owners required to consent to any material modification or amendment of this Bond Ordinance, without the consent of the Purchaser the Bonds.

ARTICLE VIII
REFUNDING / ADDITIONAL PARITY BONDS

SECTION 8.1. Issuance of Refunding and Additional Parity Bonds. The Bonds shall enjoy complete parity of lien on the Net Revenues of the System despite the fact that any of the Bonds may be delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues of the System having priority over or parity with the Bonds, except under the following conditions:

- (a) The Bonds, or any part thereof, including interest and redemption premiums 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, provided however, that if only a portion of the Bonds outstanding is so refunded and if the refunding bonds require 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 Purchaser of the unrefunded portion of the Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in (b) below.

- (b) Additional Parity Bonds may be issued only if all of the following conditions are met:
 - (i) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such Additional Parity Bonds is equal to at least one hundred twenty-five percent (125%) of the highest combined principal and interest requirements in any succeeding Fiscal Year on the Bonds and any Additional Parity Bonds (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption). In making the calculation required by this subparagraph (b)(i),

if the Issuer 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 of the System for the previous Fiscal Years may be made assuming such higher rates had been in effect during such period.

- (c) The existence of the facts required by paragraphs (b)(i) above must be determined by written certification of the Clerk of the Issuer, an independent municipal advisor, the Issuer's auditor, or by such successors thereof as may have been employed for that purpose.

SECTION 8.2. Issuance of Subordinate Lien Bonds. The Issuer shall be empowered to issue bonds or other evidences of indebtedness which obligations are secured by a lien on the Net Revenues of the System that is subordinate and inferior to the lien on the Net Revenues of the System securing the Bonds.

ARTICLE IX REMEDIES ON DEFAULT

SECTION 9.1. Events of Default.

- (a) Any one or more of the following events shall be considered an Event of Default under this Bond Ordinance:
 - (i) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise; or
 - (ii) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or

- (iii) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Bond Ordinance, any supplemental ordinance or in the Bonds contained and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Purchaser of Bonds then outstanding; or
 - (iv) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law; then, upon the happening and continuance of any Event of Default, the Insurer and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law. Under no circumstances may the principal or interest of any of the Bonds be accelerated. All remedies shall be cumulative with respect to the Purchaser; if any remedial action is discontinued or abandoned, the Purchaser shall be restored to the former positions.
- (b) Upon the occurrence of an Event of Default, the Purchaser from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State of Louisiana. Subject to the rights of the Purchaser under Section 2.7 hereof the Purchaser of the Bonds, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights under the laws of the State of Louisiana, or granted and contained in this Bond Ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance, or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof, including the obligations of the Issuer under Article VI of this Bond Ordinance and the fixing, charging and collecting of rates, 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 Purchaser of the Bonds.

SECTION 9.2. Retention and Duties of Consulting Engineer in Event of Failure to Make Required Payments. The Issuer covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System to make the required monthly payments into the funds established by Section 4.1 hereof, it will retain a Consulting Engineer on a continuous basis until all defaults are cured, for the purpose of providing for the Issuer continuous engineering counsel in the operation of its System. Such Consulting Engineer shall be retained under contract at such reasonable compensation as may be fixed by this Governing Authority, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Consulting Engineer appointed under the provisions of this Section may be replaced at any time by another Consulting Engineer appointed or retained by the Issuer, with the consent and approval of the Purchaser of the Bonds.

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 Issuer's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System; the 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 of this Governing Authority and sent to the Purchaser of the Bonds, and shall be open to inspection by any Purchaser of the Bonds. It shall be the duty of the Consulting Engineer to pass upon the economic soundness or feasibility of any extensions, betterments, improvements, expenditures or purchases of equipment and materials or supplies, which will involve the expenditure of more than Ten Thousand Dollars (\$10,000), whether in one or more than one order, and whether authorized by a budget or not, and the Consulting Engineer shall devise and prescribe form or forms wherein

shall be set forth his or its approval in certificate form, copies of which shall be filed with the Secretary of the Governing Authority.

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

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

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 Purchaser of the Bonds then outstanding, this Governing Authority shall select and retain such Consulting Engineer as is named in the petition of said Purchaser.

THE PROVISIONS OF THIS SECTION SHALL APPLY ONLY DURING ANY PERIOD WHEN THE ISSUER MAY BE IN DEFAULT IN MAKING REQUIRED PAYMENTS.

**ARTICLE X
CONCERNING FIDUCIARIES**

SECTION 10.1. Paying Agent; Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Bond Ordinance. The designation of Regions Bank, an Alabama state banking corporation having a corporate office located in Baton Rouge, Louisiana (together with its successors and assigns), as the initial Paying Agent is hereby confirmed and approved. The Paying Agent shall signify its acceptance of the duties and obligations imposed on it by this Bond Ordinance by executing and delivering an acceptance of its rights, duties and obligations as Paying Agent set forth herein in form and substance satisfactory to the Issuer.

SECTION 10.2. Successor Paying Agent. Any successor Paying Agent shall be a trust company or bank in good standing, located in or incorporated under the laws of the State, and duly authorized to exercise trust powers and subject to examination by federal or state authority. 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. Every successor Paying Agent appointed pursuant to this Section shall be a trust company or bank in good standing located in or incorporated under the laws of the State, and duly authorized to exercise trust powers and subject to examination by federal or state authority.

**ARTICLE XI
SALE OF BONDS**

SECTION 11.1. Sale of Bonds/Final Terms. The sale of the Bonds to the Purchaser pursuant to the Commitment Letter and the terms set forth in this Bond Ordinance is hereby in all respects approved, ratified and confirmed and after their execution, the Bonds shall be delivered to the Purchaser or its agents or assigns, upon receipt by the Issuer of the agreed purchase price.

Each Authorized Representative, individually or collectively, is hereby empowered, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by, either, in their sole discretion, necessary or advisable to implement this Bond Ordinance or facilitate the sale of the Bonds, including but not limited to the Placement Agreement.

SECTION 11.2. Deposit of Bond Proceeds. All Bond Proceeds (except accrued interest, if any, which shall be deposited in the Debt Service Fund) shall be deposited in the Bond Proceeds Fund and applied to the respectable funds and accounts in accordance with Section 4.1 herein and as set forth in the Closing Memorandum.

SECTION 11.3. Authorized Officers. The Authorized Officers be and they are hereby authorized and directed to take all actions in conformity with the Refunding Act, if necessary, or reasonably required to effectuate the issuance, sale and delivery of the Bonds and shall take all action necessary or desirable in conformity with the Refunding Act for carrying out, giving effect to and consummating the transactions contemplated by the Bonds, this Bond Ordinance, including without limitation, the execution and delivery of any closing documents in connection with the issuance, sale and delivery of the Bonds. The Authorized Officers are specifically authorized to approve such changes to said documents as are necessary and appropriate and not contrary to the general tenor thereof, such approval to be conclusively evidenced by such execution thereof.

SECTION 11.4. Execution of Documents. In connection with issuance and sale of the Bonds, the Authorized Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Authorized Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

Any actions taken by the Authorized Officers prior to the date hereof that are consistent with this Article XI are hereby ratified and confirmed.

ARTICLE XII
REDEMPTION OF THE REFUNDED BONDS

SECTION 12.1. **Call for Redemption.** Subject only to delivery of the Bonds, the Refunded Bonds are hereby irrevocably called for redemption on any business day on or after the date of this Bond Ordinance, at a redemption price of 100% of the principal amount of each bond so redeemed, and accrued interest to the date of redemption, in compliance with the bond ordinance authorizing their issuance.

ARTICLE XIII
RESERVED

ARTICLE XIV
MISCELLANEOUS

SECTION 14.1. **Defeasance.**

- (a) If the Issuer shall pay or cause to be paid to the Owners of all Bonds then outstanding, the principal and interest and redemption premium, if any, to become due thereon, at the times and in the manner stipulated therein and in this Bond Ordinance, then the covenants, agreements and other obligations of the Issuer to the Bondholders shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer any moneys, securities and funds held by it pursuant to this Bond Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

- (b) Bonds or interest installments for the payment or redemption of which sufficient Defeasance Obligations shall have been set aside and held in trust by the Paying

Agent or an escrow agent (through deposit by the Issuer of funds for such payment or redemption or otherwise) at a maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section.

Any Bond prior to maturity shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if (i) there shall have been deposited with the Paying Agent an escrow agent Defeasance Obligations, in the amounts and having such terms as are necessary to provide moneys (whether as principal, premium, if any, or interest) in an amount sufficient to pay when due the principal thereof, together with all accrued interest and (ii) the adequacy of the Defeasance Obligations so deposited to pay when due the principal and all accrued interest shall have been verified by an independent certified public accountant.

Neither Defeasance Obligations deposited pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest to become due on the Bonds; provided that any cash received from such principal or interest payments on such Defeasance Obligations shall, if permitted by the Code, and to the extent practicable, be reinvested in Defeasance Obligations maturing at times and in amounts sufficient to pay when due the principal and interest to become due on said Bonds as they respectively mature.

To accomplish defeasance the Issuer shall cause to be delivered (i) a report of an Accountant verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("**Verification**"), (ii) an Escrow Deposit Agreement, and (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Bond Ordinance; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed to the Issuer. Bonds shall be deemed "Outstanding" under this Bond Ordinance unless and until they are in fact paid and retired or the above criteria are met.

SECTION 14.2. Evidence of Signatures of Bondholders and Ownership of Bonds.

- (a) Any request, consent, revocation of consent or other instrument which this Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of this Bond Ordinance (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:
- i. The fact and date of execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.
 - ii. The ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books of the Paying Agent.

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

SECTION 14.3. Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

SECTION 14.4. Parties Interested Herein. Nothing in this Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent, and Owners of the Bonds any right, remedy or claim under or by reason of this Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent and Owners of the Bonds.

SECTION 14.5. Purpose of Covenants in this Bond Ordinance. Every covenant, undertaking and agreement made on behalf of the Issuer, as set forth in this Bond Ordinance is made, undertaken and agreed to, for the proper securing of the payment of the principal of and interest on the Bonds.

SECTION 14.6. No Recourse on the Bonds. No recourse shall be had for payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION 14.7. Successors and Assigns. Whenever in this Bond Ordinance the Issuer is named or referred to, it shall be deemed to include its successors, and assigns and all the covenants and agreements in this Bond Ordinance contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors, and assigns whether so expressed or not.

SECTION 14.8. Subrogation. In the event the Bonds herein authorized to be issued, or any of them, should ever be held invalid by any court of competent jurisdiction, the Purchaser thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the Purchaser of the Bonds.

SECTION 14.9. Bonds are "Bank-Qualified". The Bonds are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(D)(ii) of the Code and will not be included in the \$10,000,000 issuance limit of the Issuer for the 2021 calendar year for such purpose as: (i) the issuance is a current refunding of the Refunded Bonds; (ii) the par amount of the Bonds does not exceed the outstanding principal amount of the Refunded Bonds; (iii) the average maturity date of the Bonds is not later than the average maturity date of the Refunded Bonds; and (iv) the Bonds have maturity date which is not later than the date which is thirty (30) years after the date of the Refunded Bonds.

SECTION 14.10. Role of Purchaser. The Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the Purchaser Letter and any other information, materials or communications provided by the Purchaser: (a) the Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Purchaser Letter, information, materials or communications; (c) the Purchaser and its representatives are acting for their own interests; and (d) the Issuer has been informed that the Issuer should discuss the Purchaser Letter and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer deems appropriate.

SECTION 14.11. Privately Negotiated Loan. The Issuer acknowledges and agrees that the Purchaser is purchasing the Bonds as evidence of a privately negotiated loan and in that connection the Bond shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service. At closing, the Purchaser will provide the Purchaser Letter prior to delivery of the Bonds. In the event that SEC Rule 15(c) 2-12 requires information regarding the Bonds to be reported to EMMA, the Purchaser reserves the right to review the submission and request that it be redacted in any manner deemed appropriate; provided however, that notwithstanding the foregoing nothing shall prevent the Issuer from complying with its continuing disclosure obligations pursuant to applicable law.

SECTION 14.12. Purchaser Requested Changes. Any changes requested by the Purchaser to the terms of the Bonds, as reflected in the Paying Agent Agreement, shall be incorporated in this Bond Ordinance as if set forth in their entirety herein. Any changes to substantive provisions of this Bond Ordinance, as determined by an Authorized Representative of the Issuer on advice of Bond Counsel, explicitly including, but not limited to, the par amount, interest rate, term, redemption provisions and/or the requisite terms for the of issuance of Additional Parity Bonds, as stated in Article IX herein, be and are hereby excluded from being incorporated in this Bond Ordinance via this Section.

SECTION 14.13. Waiver of Jury Trial. Each the Issuer and the Purchaser hereby waive any and all right to a trial by jury in any proceeding to review actions by the Issuer as a municipal body under Louisiana Code of Civil Procedure Article 1732(5) and other constitutional and statutory authority, including matters with respect to any controversy or claim between the Issuer and the Purchaser, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Bond Ordinance, the Bonds or any related document.

SECTION 14.15. US Patriot Act. The Issuer represents and warrants to the Purchaser that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in

Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of such person. The Issuer further represents and warrants to the Purchaser that the Issuer and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

SECTION 14.16. Section Headings. The headings of the various sections hereof are inserted for convenience of reference.

SECTION 14.17. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of 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 14.18. Publication of Bond Ordinance; Peremption. This Bond Ordinance shall be published one time in the official journal of the Governing Authority; however, it shall not be necessary to publish any exhibits hereto if the same are available for public inspection and such fact is stated in the publication. For thirty (30) days after the date of publication, any person in interest may contest the legality of this Bond Ordinance, any provision of the Bonds, the provisions therein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no person may contest the regularity, formality, legality or effectiveness of this Bond Ordinance, any provisions of the Bonds to be issued pursuant hereto, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the

issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

SECTION 14.19 **Ordinance Effective Upon Adoption.** This Ordinance shall become effective immediately following its adoption by the Governing Authority.

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

YEAS:

NAYS:

ABSTAIN:

ABSENT:

THUS DONE, adopted and signed on this the 22nd day of July, 2021.

Gerald Odom, Clerk

Charles M. Finlayson, Mayor

STATE OF LOUISIANA

PARISH OF MADISON

I, the undersigned Clerk of the City of Tallulah, Parish of Madison, State of Louisiana (the "Issuer"), do hereby certify that the foregoing pages constitute a true and correct copy of the proceedings taken by the City Council on July 22, 2021, with respect to:

AN ORDINANCE AUTHORIZING THE ISSUANCE WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021, OF THE CITY OF TALLULAH, STATE OF LOUISIANA; PRESCRIBING THE FORM, TERMS AND CONDITIONS OF SAID BONDS; DESIGNATING THE DATE, DENOMINATION AND PLACE OF PAYMENT OF SAID BONDS; PROVIDING FOR THE PAYMENT THEREOF IN PRINCIPAL AND INTEREST; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

IN FAITH WHEREOF, witness my official signature on this 22nd day of July, 2021.

Gerald Odom, Clerk

EXHIBIT A

DEFINITIONS

"**Additional Parity Bonds**" shall mean any *pari passu* bonds which may hereafter be issued pursuant to **Article VIII** hereof on a parity with the Bonds.

"**Authorized Denomination**" shall mean the denominations of \$100,000 and increments of \$5,000 thereafter.

"**Authorized Officers**" shall mean, collectively, or individually, the Mayor or Clerk of the Issuer, or any person or persons designated by the Issuer by resolution to act on behalf of the Issuer pursuant to this Bond Ordinance.

"**Bond**" or "**Bonds**" shall mean the Water System Revenue Refunding Bonds, Series 2021, of the Issuer issued pursuant to this Bond Ordinance, as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

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

"**Bond Ordinance**" shall mean this Ordinance authorizing issuance of the Bonds, as further amended and supplemented as herein provided.

"**Bond Proceeds**" means the proceeds derived from the sale of the Bonds by the Issuer to the Purchaser.

"**Bond Year**" shall mean the one-year period ending on the principal payment date as set forth in the Placement Agreement.

"Bondholder," "Registered Owner," or "Owner" shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Issuer.

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

"Closing Date" means the date all documents related to the issuance of the Bonds are signed by all parties and physical delivery of the Bonds is made to the Paying Agent.

"Closing Memorandum" means that certain memorandum provided to the Paying Agent on the Closing Date, which details the disbursement of Bond Proceeds.

"Commitment Letter" shall mean the statement of terms and conditions that the Purchaser has established as necessary and required in order to close with the Issuer.

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

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

"Debt Service" for any period shall mean, as of the date of calculation, an amount equal to the sum of (i) interest payable during such period on Bonds and (ii) the principal amount of Bonds which mature during such period.

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

"Determination of Taxability" shall mean a determination that the interest income on any of the Bonds is not excludable from gross income for federal income tax purposes ("**exempt interest**") under the Code, which determination will be deemed to have been made on the first to occur of any of the following:

- (a) the date on which the Issuer is notified that Bond Counsel is unable to deliver an opinion that the interest on the Bonds qualifies as such exempt interest or is provided with an opinion of nationally recognized bond counsel to the effect that interest on the Bonds does not qualify as exempt interest under the Code; or
- (b) the date on which any change in law or regulation becomes effective or on which the Internal Revenue Service issues any public or private ruling, technical advice memorandum or any other written communication or on which there shall occur a ruling or decision of a court of competent jurisdiction with or to the effect that the interest income on any of the Bonds does not qualify as such exempt interest; or
- (c) the date on which the Issuer received notice in writing that the Internal Revenue Service has issued a private ruling, technical advice, notice of deficiency, 30-day letter or similar notice or other formal written determination which asserts that the interest on any of the Bonds does not qualify as such exempt interest.

"Event of Default" shall have the meaning set forth in Section 10.1 hereof.

"Excess Fee" shall have the meaning in Section 2.5 hereof.

"Fiscal Agent Bank" shall mean the fiscal agent bank of the Issuer and any successor Fiscal Agent Bank so appointed by the Issuer.

"Federal" shall mean the United States of America.

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

"**Governing Authority**" shall mean the Mayor and Board of Aldermen of the Issuer, or its successor in function.

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

"**Interest Payment Date**" shall mean March 1 and September 1 of each year, commencing September 1, 2021.

"**Issuer**" shall mean the City of Tallulah, Parish of Madison, State of Louisiana.

"**Maturity Date**" shall mean the date of maturity of the Bonds as set forth in this Bond Ordinance.

"**Maximum Annual Debt Service**" shall mean the highest amount of debt service coming due on the Bonds in the current or future Bond Year.

"**Net Revenues of the System**" shall mean, for the period in question, the revenue derived from rates, service fees, usage fees, connection fees, and other income received from the operation of the System,

- (a) except that there shall be excluded from the calculation made to determine Net Revenues of the System:

- (i) gains on the sale or other disposition of investments or fixed or capital assets, which do not result from the ordinary course of business,
 - (ii) investment income restricted to a purpose inconsistent with the payment of operating expenses or debt service, including (whether or not so restricted) interest earned on any construction fund or construction account created with the proceeds of borrowing by the Issuer, and
 - (iii) any amounts received by way of government grants.
- (b) there shall be added to such net income hereinabove derived:
- (i) losses on the sale or other disposition of investments or capital assets which do not result from the ordinary course of business,
 - (ii) depreciation and amortization allowances,
 - (iii) amounts paid as interest on Bonds, and
 - (v) interest earnings on funds deposited as provided in Section 4.3.

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

1. Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
2. Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent /Trustee in trust for the owners of such Bonds with the effect specified in this Bond Ordinance, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or

provided for pursuant to this Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

3. Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Bond Ordinance; and
4. Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in this Bond Ordinance or by law; and
5. Bonds for the payment of the principal (or redemption price, if any) of and interest on which Defeasance Obligations are held by the Paying Agent with the effect specified in this Bond Ordinance.

"Parish" shall mean the Parish of Madison, State of Louisiana.

"Paying Agent " shall mean Regions Bank, an Alabama state bank with trust powers having a corporate office located in Baton Rouge, Louisiana in its capacities as Paying Agent for the Bonds and as trustee for the funds and accounts established under Section 4.1 of this Bond Ordinance, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Bond Ordinance, and thereafter Paying Agent shall mean such successor Paying Agent.

"Paying Agent Agreement" shall mean the Paying Agent/Trustee & Registrar Agreement to be entered into between the Issuer and Regions Bank in its capacity as Paying Agent/Trustee & Registrar pursuant to this Bond Ordinance.

"Permitted Investments" shall mean those certain securities, obligations or other instruments specifically set forth in La. R.S. 33:2955 as amended from time to time, or pursuant to any other constitutional or statutory authority, as being legal investments for political subdivisions of the State.

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

"**Placement Agent**" shall mean Crews & Associates, Inc., Little Rock, Arkansas.

"**Placement Agreement**" shall mean the Placement Agent Agreement to be entered into between the Issuer and the Placement Agent pursuant to this Bond Ordinance.

"**Principal Payment Date**" shall mean September 1 of each year, commencing September 1, 2022.

"**Purchaser**" shall mean with respect to the Bonds, Truist Bank, the initial purchaser of the Bonds from the Issuer.

"**Qualified Investments**" shall mean (i) cash, (ii) Government Securities, and (iii) time certificates of deposit of state banks organized under the laws of the State and national banks having their principal office in the State which are fully collateralized by government securities as provided by Louisiana law, or any other investment security which may be permitted by Louisiana law.

"**Record Date**" shall mean, with respect to an Interest Payment Date and Principal Payment Date, the close of business on the fifteenth day of the calendar month next preceding such respective Interest Payment Date or Principal Payment Date.

"**Revenue Fund**" has the meaning set forth in Section 4.1 hereof.

"**Reserve Fund**" has the meaning set forth in Section 4.1 hereof.

"**Series 2012 Bonds**" shall mean the Issuer's Water Revenue Refunding Bonds, Series 2012, issued in the original principal amount of Five Million Two Hundred Seventy-Five Thousand Dollars (\$5,275,000).

"**Series 2016 Bonds**" shall mean the Issuer's Water Revenue Refunding Bonds, Series 2016, issued in the original principal amount of Four Million Six Hundred Sixty-Five Thousand Dollars (\$4,665,000).

"**Series 2021 Reserve Fund Requirement**" shall mean an amount equal to 50% of the Maximum Annual Debt Service on the Bonds.

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

"**Statutory Maximum**" shall mean the maximum rate approved for the Bonds by the Louisiana State Bond Commission in accordance with Louisiana law, such rate being five percent (5.00%) as ordered by the Louisiana State Bond Commission

"**System**" shall mean the water system of the Issuer.

"**System Proprietary Fund**" means the proprietary fund accounting established by the Issuer for the System in accordance with La. Admin. Code title. 28, pt. XLI, § 505 and into which the System Revenues are deposited or otherwise provided. This form of accounting expresses the intent of the Issuer that the costs (expenses, including depreciation) of providing services of the System to the general public on a continuing basis be financed or recovered primarily through user charges and other Net Revenues of the System on a "stand alone" basis.

"**System Revenues**" shall mean the revenue derived from rates, service fees, usage fees, connection fees, and other income received from the operation of the System

"**Tax Certificate**" shall mean the tax regulatory agreement and non-arbitrage certificate executed by the Issuer in connection with the issuance of the Bonds.

"**Taxable Adjusted Rate**" shall mean in the event of Determination of Taxability, a rate of interest which would provide the Owner(s) with an after-tax yield on the then outstanding

principal amount of Bonds at least equal to the after-tax yield the Owner(s) could have received if a Determination of Taxability had not occurred, but not exceeding the Statutory Maximum.

EXHIBIT B

FORM OF BOND

THIS BOND IS TRANSFERABLE ONLY TO (I) AN INVESTMENT COMPANY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940; (II) A BANK, AS DEFINED IN SECTION 3(A)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), WHETHER ACTING IN ITS INDIVIDUAL OR FIDUCIARY CAPACITY; (III) AN INSURANCE COMPANY, AS DEFINED IN SECTION 2(13) OF THE 1933 ACT; (IV) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT; (V) A SECURITIZATION SPECIAL PURPOSE VEHICLE ("SPV"), THE INTERESTS IN WHICH SPV ARE SOLD TO THE INSTITUTIONAL INVESTORS DESCRIBED ABOVE IN THIS PARAGRAPH; OR (VI) AN "ACCREDITED INVESTOR" AS SUCH TERM IS DEFINED IN REGULATION D OF THE 1933 ACT.

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

**WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021
CITY OF TALLULAH, STATE OF LOUISIANA**

<u>Bond Number</u>	<u>Dated Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
R-1	July 29, 2021	September 1, 2032	1.85%	\$7,095,000

The **CITY OF TALLULAH, PARISH OF MADISON, STATE OF LOUISIANA** (the "Issuer" or "City"), promises to pay, but solely from the source and as hereinafter provided, to:

TRUIST BANK

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with the interest thereon from the Bond Date set forth above or the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on March 1 and September 1 of each year, commencing September 1, 2021 (each an "Interest Payment Date"), at the Interest Rate per annum set forth above, said interest to be calculated on 30/360 basis until said Principal Amount is paid. This Bond shall mature on September 1, 2032, subject to redemption as set forth herein. The principal of this Bond, upon maturity or redemption, is payable in lawful money of the United States of America at the corporate trust office of Regions Bank, Baton Rouge, Louisiana, or successor thereto (the "Paying Agent"). Interest on this Bond is payable by wire transfer or check mailed by the Paying Agent to the registered owner (determined as of the close of business on the 15th calendar day of the month next preceding

each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

Upon the occurrence of an Event of Default, the Bonds shall bear interest at the Default Rate during the time that such Event of Default continues to exist. If the Default Rate is reduced due to the Statutory Maximum being less than five percent (5%) per annum (the "Lender's Default Rate"), then (i) interest at the Default Rate shall be due and payable during such period of default and, in addition, (ii) a fee in an amount equal to the difference between (A) the Default Rate and (B) the Lender's Default Rate (the "Excess Default Fee") shall be deferred until such date as the rate of interest calculated in accordance with the terms thereof ceases to exceed the Default Rate or the Bonds are paid in full, at which time the Issuer shall pay to the Lender, such portion of the deferred Excess Default Fee as will cause the rate of interest then paid to the Lender to equal the Lender's Default Rate. The Excess Default Fee shall not be deemed to be an increase in the interest rate on the Bonds and nothing herein shall result in the interest rate being increased above the Statutory Maximum.

In the event of a Determination of Taxability, or an amendment to the Code requiring interest on the Bonds to be included in the gross income of the Lender for federal tax purposes, the interest rate on the Bonds shall be adjusted at the written direction of the Lender to provide an after-tax yield on the then outstanding principal amount of the Bonds at least equal to the after-tax yield the Lender would have received if a Determination of Taxability or the amendment to the Code described herein had not occurred. In such event, the Issuer shall execute and deliver a substitute Bond to the Lender, which shall be duly authenticated by the Paying Agent. If the rate of interest payable hereunder shall exceed the Statutory Maximum for any period for which interest is payable, then (i) interest at the Statutory Maximum shall be due and payable with respect to such interest period and (ii) a fee in an amount rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Statutory Maximum (the "Excess Fee") shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Issuer shall pay to the Lender, with respect to amounts then payable to the Lender that are required to accrue interest hereunder, such portion of the deferred Excess Fee as will cause the rate of interest then paid to the Lender to equal the Statutory Maximum, which payments of deferred Excess Fee shall continue to apply to such unpaid amounts hereunder until all deferred Excess Fee is fully paid to the Lender, together with interest thereon at the Federal Funds Rate. The Excess Fee shall not be deemed to be an increase in the interest rate on the Bonds. "Federal Funds Rate" means, for any day, the rate per annum (rounded upwards to the nearest 1/100th of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day, provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Lender by federal funds dealers selected by Lender on such day on such transaction as determined by Lender.

All capitalized terms not otherwise defined herein shall have the meaning set forth in the herein defined Bond Ordinance.

This Bond is one of an authorized issue aggregating in principal the sum of Seven Million Ninety Five Thousand Dollars (\$7,095,000) (the "Bonds"), all of like tenor and effect except as to number and denominations, the Bonds having been issued by the Issuer pursuant to an ordinance enacted on July 22, 2021 (the "Bond Ordinance") for the purposes for the purposes of the Refunding pursuant to the provisions of Refunding Act and other constitutional and statutory authority supplemental thereto, pursuant to all requirement therein specified. Terms not otherwise defined herein shall have the meaning given them in the Bond Ordinance.

This Bond and interest due thereon shall not be a general obligation, a debt or a liability of the Issuer or an obligation, debt or liability of the State of Louisiana and does not constitute or give rise to any pecuniary liability or charge against the general credit of the Issuer or the credit or taxing power of the State of Louisiana, but shall be a limited obligation of the Issuer payable solely from and secured by funds pledged for such security of payment in the Bond Ordinance, specifically the Net Revenues of the System, as defined in and subject to limitations set forth in the Paying Agent Agreement, for the equal and ratable benefit of the holder, from time to time, of this Bond, except as otherwise provided in the Paying Agent Agreement. Reference is hereby made to the Paying Agent Agreement for a description of the nature and extent of the security.

The Issuer shall issue no other bonds or obligations of any kind of nature payable from or enjoying a lien on the Net Revenues of the System having priority over or on parity with the Bonds except as detailed in the Bond Ordinance.

As provided in the Paying Agent Agreement, the Paying Agent shall be the Bond Registrar for this Bond. So long as this Bond shall remain outstanding, there shall be maintained and kept for the Issuer, at the principal corporate trust office of the Paying Agent, a bond register (the "Bond Register") for the registration and transfer of this Bond and, upon presentation thereof for such purpose at said office, the Paying Agent shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, this Bond.

Redemption Provisions

Optional Redemption.

The Bonds shall be subject to optional redemption by the Issuer, in whole, on any Interest Payment Date on or after September 1, 2027, at par plus accrued interest to the date of redemption in the manner provided in this Bond Ordinance.

Mandatory Scheduled Redemption.

The Bonds are subject to Mandatory Scheduled Redemption (without notice) and shall be redeemed prior to their maturity (and without further notice to the Owner(s) or the Paying Agent) by payment of scheduled installments, on each of the dates set forth below and in the respective principal amount set forth opposite each such date, as follows:

<u>Year (September 1)</u>	<u>Principal Amount</u>
2021	\$270,000
2022	620,000
2023	610,000
2024	610,000
2025	630,000
2026	635,000
2027	650,000
2028	665,000
2029	675,000
2030	685,000
2031	700,000
2032	345,000

Optional Redemption On Determination of Taxability.

If a Determination of Taxability occurs, at the option of the Issuer, all the Bonds may be redeemed in whole but not in part following receipt by the Issuer of written notice of such Determination of Taxability at a redemption price equal to 100% of the unpaid principal balance of the Bonds Outstanding, plus accrued interest thereon to the date fixed for redemption at the Taxable Adjusted Rate from the date of Determination of Taxability.

Any redemption of the Bonds is subject to prior written notice as set forth in Section 5.3 of the Bond Ordinance.

The registered Owner of this Bond shall have the right at any time to assign, transfer or convey this Bond or any interest therein or portion thereof, but no such assignment, transfer or conveyance shall be effective as against the Issuer unless and until such registered owner has delivered to the Issuer written notice thereof that discloses the name and address of the assignee and such assignment. Transfer or conveyance shall be made only to (i) an affiliate of the registered owner or (ii) banks, insurance companies or other financial institutions or their affiliates. This Bond is transferable only to (i) an investment company registered under the investment company act of 1940; (ii) a bank, as defined in section 3(a)(2) of the securities act of 1933, as amended (the "1933 act"), whether acting in its individual or fiduciary capacity; (iii) an insurance company, as defined in section 2(13) of the 1933 act; (iv) a "qualified institutional buyer" as defined in rule 144a promulgated under the 1933 act; (v) a securitization special purpose vehicle ("SPV"), the interests in which SPV are sold to the institutional investors described above in this paragraph; or (vi) an "Accredited Investor" as such term is defined in regulation d of the 1933 act.

The Issuer shall cause the Bond Register to be kept by the Paying Agent. This Bond may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. This Bond may be assigned by the execution of an assignment form on the Bond 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.

As provided in the Bond Ordinance, the Bonds are special and limited obligations of the Issuer payable from and secured as to payment of the principal and redemption price thereof, and interest thereon, in accordance with their terms and the provisions of the Bond Ordinance solely from the Net Revenues of the System.

Copies of the Bond Ordinance are on file at the above mentioned office of the Paying Agent, and reference is hereby made to the Act and to the Bond Ordinance and any and all supplements thereto and modifications and amendments thereof for a description of the pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge and assignment and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the Owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and may be issued thereunder, the terms and provisions upon which this Bond shall cease to be entitled to any lien, benefit or security under the Bond Ordinance and for the other terms and provisions thereof. All covenants, agreements and obligations of the Issuer under the Bond Ordinance may be discharged and satisfied at or prior to the maturity or redemption of this Bond if moneys or certain specified securities shall have been deposited with the Paying Agent.

The Net Revenues of the System shall immediately be subject to the lien of this irrevocable pledge and dedication without any physical delivery thereof or further act, and the lien of this irrevocable pledge and dedication shall be valid and binding as against all persons having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such persons have notice thereof.

The Issuer has covenanted and agreed and does hereby covenant and agree to budget annually a sufficient sum of money from the Net Revenues of the System to pay this Bond, and the interest thereon, as it matures, including any principal and/or interest theretofore matured and then unpaid, and to collect other revenues within the limits prescribed by law, sufficient to pay the principal of and interest on this Bond after payment in such years of all statutory, necessary and usual charges. The Issuer, in the Bond Ordinance, has also entered into certain other covenants and agreements with the registered Owner of this Bond, including a provision for the issuance of *pari passu* obligations hereafter under certain conditions and restrictions.

THIS BOND IS A LIMITED AND SPECIAL OBLIGATION OF THE ISSUER AND DOES NOT CONSTITUTE OR CREATE A GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE, THE PARISH OF MADISON, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THIS BOND. THIS BOND IS NOT A GENERAL OBLIGATION OF THE ISSUER BUT IS A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE PLEDGE AND DEDICATION OF THE SOURCES PROVIDED IN 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 of Louisiana.

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

IN WITNESS WHEREOF, the Mayor and Clerk of the City of Tallulah, Parish of Madison, State of Louisiana, have caused this Bond to be executed in its name by our signatures.

**CITY OF TALLULAH,
STATE OF LOUISIANA**

Gerald Odom, Clerk

Charles M. Finlayson, Mayor

PAYING AGENT’S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds delivered pursuant to the within mentioned Bond Ordinance.

Regions Bank, as Paying Agent

Date: _____

By: _____
Keshia A. Jupiter, Vice President

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney or agent to transfer the within bond on the books kept for registration thereof with full power of substitution I the premises.

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

LEGAL OPINION CERTIFICATE

I, the undersigned Clerk of the Council of the City of Tallulah, acting as the governing authority of the City of Tallulah, State of Louisiana, do hereby certify that the attached is a true copy of the complete legal opinion of Boles Shafto, LLC, Bond Counsel, the original of which was manually executed, dated and issued as of the date of payment for the delivery of the original bonds of the issue described therein and was delivered to Truist Bank, representing the original purchaser thereof. I further certify that an executed copy of the above legal opinion is on file in my office.

Gerald Odom, Clerk

[FORM OF BOND COUNSEL OPINION]

July 29, 2021

Mayor and City Council
City of Tallulah
State of Louisiana

\$7,095,000
WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 2021
CITY OF TALLULAH, STATE OF LOUISIANA

We have acted as Bond Counsel to the City of Tallulah, State of Louisiana (the "**City**" or the "**Issuer**"). The Issuer is a duly created and validly existing body corporate, political and public instrumentality of the State of Louisiana (the "**State**"), in connection with the issuance of its Seven Million Ninety Five Thousand Dollars (\$7,095,000) Water System Revenue Refunding Bond, Series 2021 (the "**Bond**"). The Bond is issued as a single fully registered bond, dated, bears interest, is subject to optional prepayment and is payable as set forth in the Bond Ordinance adopted by the City Council, acting as the governing authority (the "**Governing Authority**") of the Issuer, on July 22, 2021 (the "**Bond Ordinance**").

Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Bond Ordinance.

The Bond has been issued pursuant to a resolution a, under the authority conferred by Chapters 14 and 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, Chapter 39, Section 501, et seq of the Louisiana Revised Statutes of 1950 (the Consolidated Local Governmetn Public Finance Act), including provisions related to the refunding of bonds under Section 531 thereof (La. R.S. 39:531) as amended (the "**Refunding Act**") and other constitutional and statutory authority supplementary thereto and the Bond Ordinance for the purposes of , along with other funds, for: (i) a current refunding of the Refunded Bonds; (ii) funding a debt service reserve fund and (iii) paying the Costs of Issuance of the Bonds (collectively, the "**Refunding**").

The Bond is special and limited obligation of the Issuer, payable solely from a pledge and dedication of the Net Revenues of the System under the terms of the Bond Ordinance.

We have examined the provisions of the Constitution and statutes of the State, a certified transcript of the proceedings of the Issuer relating to the issuance of the Bond, and such other documents, proofs and matters of law as we deemed necessary to render this opinion. On the basis of the foregoing examinations, we are of the opinion, as of the date hereof and under existing law, that:

1. The Issuer is a validly existing political subdivision of the State.

2. Said proceedings, documents and proofs show lawful authority for the issuance of the Bond pursuant to the Refunding Act and the Bond Ordinance.
3. The Bond is a valid and binding special and limited obligations of the Issuer secured and payable solely from the Net Revenues of the System under the terms of the Bond Ordinance.
4. The Bond and interest thereon do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any State constitutional or statutory provision and will not constitute a general obligation or a charge against any revenues of the Issuer other than the Net Revenues of the System as stated in paragraph 3 above.
5. Interest on the Bond is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on certain corporations, such interest is taken into account in determining adjusted current earnings.
6. Under the Refunding Act, the Bond and the interest thereon are exempt from all State and local taxes.
7. The Bonds **are** designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(D)(ii) of the Code and will not be included in the \$10,000,000 issuance limit of the Issuer for the 2021 calendar year for such purpose as: (i) the issuance is a current refunding of the Refunded Bonds; (ii) the par amount of the Bonds does not exceed the outstanding principal amount of the Refunded Bonds; (iii) the average maturity date of the Bonds is not later than the average maturity date of the Refunded Bonds; and (iv) the Bonds have maturity date which is not later than the date which is thirty (30) years after the date of the Refunded Bonds.

In rendering the opinions expressed in paragraph 5 and paragraph 7 above, we have relied on representations of the Issuer with respect to questions of fact material to our opinion without undertaking to verify the same by independent investigation, and have assumed continuing compliance with covenants in the Bond Ordinance and Tax Compliance and Arbitrage Certificate dated July 29, 2021 (the "**Tax Certificate**"), by the Issuer, pertaining to those sections of the Code, which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing covenants in the Bond Ordinance, interest on the Bond could become included in gross income of the owners of the Bonds from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

This opinion is specifically limited to the laws of the State and of the United States of America.

It is to be understood that the rights of the owners of the Bond and the enforceability of the Bond, the Bond Ordinance and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforceability may also be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

The scope of our engagement has not extended beyond the examinations and the rendering of the opinions expressed herein. Our services have not included any financial or other non-legal advice.

Except as stated above, no opinion is expressed as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bond.

Our opinions expressed herein are issued to and for the sole benefit of the addressee stated above and are issued for the sole purpose of the transaction specifically referred to herein. No persons other than the above addressee may rely upon this opinion without our express prior written consent. This opinion may not be utilized by any person for any other purpose whatsoever and may not be quoted or distributed by any person without our express prior written consent. We assume no obligation to supplement this opinion if any applicable laws change after the date hereof or if we become aware of any facts that might change the opinion expressed herein after the date hereof.

Respectfully Submitted,

BOLES SHAFTO, LLC