

City of Mansfield
MINUTES OF REGULAR PUBLIC MEETING
December 10, 2012

The Board of Aldermen met in regular session on **Monday, December 10th**, in Mansfield City Hall, located at 705 Polk Street. Mayor McCoy called the meeting to order at **4:30 p.m.**, after which an **Invocation** was offered by **Alderman Troy N. Terrell**. The Pledge of Allegiance was led by **Alderman G. B. Hall III**. The oral roll call was suspended; however, the following officials were recorded as **Present**: Hon. Curtis W. McCoy, G. B. Hall III –District **A**, Troy N. Terrell –District **B**, Mitchell L. Lewis –District **C**, Joseph Hall, Jr. –District **D** and Cynthia T. Cruse –District **E**. **Absent**: None. **Other City Personnel Present**: James “Jim” Ruffin (Public Works Director), Brian Phillips (Court Clerk), Joseph Pratt (Police Chief), Eboni Parker (Public Relations Officer), Lee Shaver (Fire Chief) **Others Present**: Ri’chard Duncan, Demarcus Evans, Fred Jones, Rev. Roy Jones, Rita Myles, and John Freeman. **Press Present**: None.

It was MOTIONED by **MITCHELL L. LEWIS** and SECONDED by **JOSEPH HALL, JR.** to approve the minutes of the **November 26, 2012 regular** City Council meeting and to dispense with the reading. Motion Passed Unanimously.

The City Clerk next opened the floor to hear public comments from those in attendance to any item outlined on the meeting agenda. No comments were offered at this period. The **Public Comments Period** was then closed.

Old Business:

Item A: It was MOTIONED by **JOSEPH HALL, JR** and SECONDED by **G. B. HALL III** to approve the receipt and opening of all sealed public bids for the chemicals, Aluminum Sulfate Solution 17% (Liquid Alum) and Caustic Soda Liquid 25% Diaphragm for use at the City’s Water Treatment Plant and take all under advisement. The contract period for these chemicals is Jan. 1, 2013 to June 30, 2013. The following is a tabulation summary of all the sealed bid proposals received. For Aluminum Sulfate Solution 17% (4,800 gals./delivery): **KEMIRA Water Solutions, Inc.** –No bid proposal submitted for the contract period, **Premier Chemicals & Services** -\$219.50/dry ton delivered, **GEO Specialty Chemicals** -\$230.50/dry ton delivered, **General Chemical, LLC** -\$445.00/dry ton delivered. For Caustic Soda Liquid 25% diaphragm (3,500 gals./delivery): **GEO Specialty Chemicals** –No bid proposal submitted for this period. **FSTI, Inc.** -\$683.00/dry-ton delivered, **Harcros Chemicals, Inc.** -\$695.00/dry ton delivered, **Premier Chemicals & Services** -\$805.00/dry ton delivered. Motion Passed Unanimously.

Item B: It was MOTIONED by **G. B. HALL III** and SECONDED by **MITCHELL L. LEWIS** to adopt an Ordinance providing for the issuance and sale of \$355,000 of Taxable Water Revenue Refunding Bonds, Series 2013, of the City of Mansfield, State of Louisiana, prescribing the form, fixing the details and providing for the rights of the owners thereof; providing for the payment of said Bonds and the application of the proceeds thereof to the refunding of certain Bonds of said City; awarding said Bonds to the purchaser thereof; and providing for other matters in connection therewith. Motion Passed Unanimously. (Full Ordinance recited below):

An ordinance providing for the issuance and sale of Three Hundred Fifty-Five Thousand Dollars (\$355,000) of Taxable Water Revenue Refunding Bonds, Series 2013, of the City of Mansfield, State of Louisiana; prescribing the form, fixing the details and providing for the rights of the owners thereof; providing for the payment of said Bonds and the application of the proceeds thereof to the refunding of certain bonds of said City; awarding said Bonds to the purchaser thereof; and providing for other matters in connection therewith.

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

WHEREAS, the Issuer has heretofore issued its Taxable Water Revenue Refunding Bonds, Series 2005, which are outstanding in the principal amount of \$482,000 and mature on April 1 of the years 2013 through 2018 (the "Refunded Bonds"), which Refunded Bonds are payable solely from the revenues of the System, after provisions have been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the System, pursuant to the provisions of the constitution and statutes of the State of Louisiana; and

WHEREAS, the Issuer has found and determined that the refunding of the Refunded Bonds would be financially advantageous to the Issuer; and

WHEREAS, pursuant to Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this Mayor and Board of Aldermen to adopt this ordinance in order to provide for the issuance of Three Hundred Fifty-Five Thousand Dollars (\$355,000) principal amount of Taxable Water Revenue Refunding Bonds, Series 2013, of the Issuer (the "Bonds"), for the purpose of refunding the Refunded Bonds and paying the costs of issuance of the Bonds, and further to fix the details of the Bonds and to sell the Bonds to the purchaser thereof; and

WHEREAS, in connection with the issuance of the Bonds, it is necessary that provision be made for the payment of the principal and the interest on the Refunded Bonds and to provide for the call for redemption on the date of delivery of the Bonds, pursuant to a Notice of Call for Redemption; and

WHEREAS, the Issuer desires to sell the Bonds to the purchaser thereof and to fix the details of the Bonds and the terms of the sale of the Bonds;

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Aldermen of the City of Mansfield, State of Louisiana, acting as the governing authority of the Issuer, that:

**ARTICLE 1)
DEFINITIONS AND INTERPRETATION**

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

“**Act**” means Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

“**Additional Parity Bonds**” means any additional *pari passu* bonds which may hereafter be issued pursuant to Section 7.1 hereof on a parity with the Bonds.

“**Bond**” or “**Bonds**” means any or all of the Taxable Water Revenue Refunding Bonds, Series 2013, of the Issuer, issued pursuant to this 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**” means an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“**Bond Obligation**” means, as of the date of computation, the principal amount of the Bonds then Outstanding.

“**Bond Year**” means the one-year period ending on the principal payment date of the Bonds (April 1) of each year.

“**Business Day**” means a day of the year other than a day on which banks located in New York, New York and the city in which the principal office of the Paying Agent is located are required or authorized to remain closed and on which the New York Stock Exchange is closed.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Consulting Engineer**” means a regionally known consulting utility engineer or firm of consulting utility engineers with skill and experience in the construction and operation of publicly owned utilities properties.

“**Costs of Issuance**” means 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, premiums for the insurance of the payment of the Bonds, if any, and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of the Bonds.

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“Defeasance Obligations” means i) cash or ii) non-callable Government Securities.

“Executive Officers” means, collectively, the Mayor and the Clerk of the Issuer.

“Fiscal Year” means the one-year period commencing on January 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” means the Mayor and Board of Aldermen of the City of Mansfield, State of Louisiana, or their successor in function.

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

“Interest Payment Date” means April 1 and October 1 of each year, commencing April 1, 2013.

“Issuer” means the City of Mansfield, State of Louisiana.

“Net Revenues” means the gross revenues of the System, after there have been deducted therefrom the reasonable and necessary expenses of operating and maintaining the System.

“Ordinance” means this ordinance, as the same may be amended and supplemented as herein provided.

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

- (a) Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for the payment of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds with the effect specified in this Ordinance;
- (c) Bonds in exchange for or *in lieu* of which other Bonds have been registered and delivered pursuant to the Ordinance; and
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Ordinance or by law.

“Owner” means the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent.

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“Paying Agent” means Community Bank of Louisiana, in the City of Mansfield, Louisiana, as paying agent and registrar hereunder, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the Ordinance, and thereafter APaying Agent@ means such successor Paying Agent.

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

“Purchaser” means Community Bank of Louisiana, in the City of Mansfield, Louisiana.

“Record Date” means, with respect to an Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a Business Day.

“Refunded Bonds” means the Issuer's Taxable Water Revenue Refunding Bonds, Series 2005, maturing April 1, 2013 to April 1, 2018, which are outstanding in the principal amount of \$900,000 and which are being refunded by the Bonds, as more fully described in Exhibit A hereto.

“Refunded Bond Ordinance” means the ordinance adopted by this Governing Authority on August 22, 2005, providing for the issuance of the Refunding Bonds.

“State” means the State of Louisiana.

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

SECTION b) Interpretation. In this Ordinance, unless the context otherwise requires, (a) words importing the singular include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and (c) the title of the offices used in this Ordinance shall be deemed to include any other title by which such office shall be known.

ARTICLE 2)
AUTHORIZATION AND ISSUANCE OF BONDS

SECTION a) Authorization of Bonds. i) This Ordinance creates a series of Bonds of the Issuer designated Taxable Water Revenue Refunding Bonds, Series 2013, of the City of Mansfield, State of Louisiana and provides for the full and final payment of the principal and interest on all of the Bonds.

ii) The Bonds issued under this Ordinance shall be issued for the purpose of refunding the Refunded Bonds and paying the Costs of Issuance.

iii) Provision having been made for the orderly redemption 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 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 Refunded Bonds, except to assure that the Refunded Bonds are paid from the proceeds of the Bonds and from other moneys available to the Issuer.

SECTION b) Ordinance to Constitute 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 Ordinance shall be a part of the contract of the Issuer with the Owners and shall be deemed to be and shall constitute a contract between the Issuer and the Owners. 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 Owners 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 Ordinance.

SECTION c) Obligation of Bonds. The Bonds shall be payable as to both principal and interest solely from the income and revenues to be derived from the operation of the System, after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the System, pursuant to the Constitution and laws of the State of Louisiana. The Net Revenues are hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Ordinance. The Net Revenues shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds and any Additional Parity Bonds, in principal, premium, if any, and interest and for all other payments provided for in this Ordinance until such bonds shall have been fully paid and discharged.

SECTION d) Authorization and Designation. Pursuant to the provisions of the Act, and other constitutional and statutory authority, there is hereby authorized the issuance of Three Hundred Fifty-Five Thousand Dollars (\$355,000) principal amount of Bonds of the Issuer

to be designated “Taxable Water Revenue Refunding Bonds, Series 2013, of the City of Mansfield, State of Louisiana,” for the purpose of refunding the Refunded Bonds and paying the Costs of Issuance. The Bonds shall be in the form approved by the Purchaser and the Issuer, upon advise of bond counsel.

SECTION e) Denominations, Dates, Maturities and Interest. The Bonds are issuable as fully registered bonds without coupons in the denominations corresponding to the outstanding principal amount of the respective maturities and shall be numbered R-1 upwards.

The Bonds shall be dated the date of delivery thereof, shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date commencing April 1, 2013, at the following rate of interest per annum from the date thereof, or from the most recent Interest Payment date to which interest has been paid or duly provided for, payable on each Interest Payment Date, and shall mature serially on April 1 of each of the years as follows:

<u>YEAR</u> <u>(APRIL 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST RATE</u> <u>PER ANNUM</u>
2013	\$10,000	4.00%
2014	63,000	4.00
2015	66,000	4.00
2016	69,000	4.00
2017	72,000	4.00
2018	75,000	4.00

SECTION f) Payment of Principal and Interest. The principal and premium, if any, of the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to each Owner (determined as of the close of business on the applicable Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose.

Except as otherwise provided in this Section, Bonds shall bear interest from date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that if and to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.

The Person in whose name any Bond is registered at the close of business on the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Bond

upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

ARTICLE 3)
GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION a) Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the registration of transfer of the Bonds as provided in this Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the outstanding principal amount of the Bonds. Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denomination of the same maturity and like aggregate principal amount. All Bonds presented for registration of transfer or exchange shall be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in writing.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Ordinance as the Bonds surrendered. Prior to due presentment for registration of transfer of any Bond, the Issuer and the Paying Agent, and any agent of the Issuer or the Paying Agent, may deem and treat the person in whose name any Bond is registered as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary.

No service charge to the Owners shall be made by the Paying Agent for any exchange or registration of transfer of Bonds. The Paying Agent may require payment by the Person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Issuer and the Paying Agent shall not be required (a) to issue, register the transfer of or exchange any Bond during a period beginning at the opening of business on the 15th calendar day of the month next preceding an Interest Payment Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) to register the transfer of or exchange any Bond so selected for redemption in whole or in part.

SECTION b) Cancellation of Bonds. All Bonds paid before maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Clerk of the Issuer an appropriate certificate of cancellation.

SECTION c) Execution. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signatures of the Executive Officers and the corporate

seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

SECTION d) Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until a certificate of registration on such Bond shall have been duly manually executed on behalf of the Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Ordinance.

SECTION e) Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the 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 4) REDEMPTION OF BONDS

SECTION a) Non-Callable. The Bond are not subject to redemption prior to their maturity date.

ARTICLE 5) PAYMENT OF BONDS; FLOW OF FUNDS

SECTION a) Deposit of Funds With Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from the moneys described below, or other funds available for such purpose, at least one (1) day in advance of each Interest Payment

Date for the Bonds, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

SECTION b) Funds and Accounts. All of the income and revenues earned or derived from the operation of the System shall be deposited daily as the same may be collected in a separate and special bank account or accounts and known and designated as the "Waterworks Revenue Fund" (the "Revenue Fund"), and the Revenue Fund shall be maintained and administered in the following order of priority and for the following express purposes:

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

(b) The maintenance of the Revenue Bond and Interest Sinking Fund (the ASinking Fund@), heretofore established and maintained pursuant to a resolution adopted by the Governing Authority on September 22, 1997 and the Refunded Bond Ordinance, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, including any bonds issued hereafter in the manner provided by this Ordinance, as they severally become due and payable, by transferring from the Revenue Fund to the regularly designated fiscal bank of the Issuer, monthly on or before the 20th day of each month, a sum equal to the principal and interest accruing on the bonds payable from the Sinking Fund for such calendar month, together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. Said fiscal agent bank shall make available from the Sinking Fund to the paying agent(s) for all bonds payable from the Sinking Fund, at least one (1) day in advance of the date on which each payment of principal or interest falls due, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

(c) The maintenance of the Waterworks Depreciation and Contingencies Fund (the "Contingencies Fund"), heretofore maintained pursuant to the resolution adopted on September 22, 1997 and the Refunded Bond Ordinance, to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System by maintaining Twenty-Five Thousand Dollars (\$25,000) therein. In the event the funds in the Contingencies Fund are reduced below \$25,000 as a result of expenditures for such extensions, additions, improvements, renewals and replacements, then the Issuer shall transfer from the Revenue Fund to the Contingencies Fund monthly in advance on or before the 20th day of each month of each year, a sum at least equal to five percent (5%) of the amount to be paid into the Sinking Fund, provided that such sum is available after provision is made for the payments required under paragraphs (a), (b), and (c) above, until \$25,000 is on deposit therein. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingencies Fund may also be used to pay the principal of and the interest on the Bonds and any Additional Parity Bonds issued hereafter in the manner provided by this Ordinance, for the payment of which there is not sufficient money in the Sinking Fund.

Any moneys remaining in the Revenue Fund after making the above-required payments may be used by the Issuer for the purpose of calling and/or purchasing and paying any

bonds payable from the revenues of the System or for such other lawful corporate purposes as this Governing Authority may determine, whether such purposes are or are not related to the System.

If at any time it shall be necessary to use moneys in the Contingencies Fund for the purpose of paying principal of or interest on bonds payable from the Sinking Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received, not hereinabove required to be used for operation and maintenance or for current principal and interest requirements, it being the intention hereof that there shall as nearly as possible be at all times in the Contingencies Fund the maximum amount hereinabove specified.

If at any time there are sufficient moneys on deposit in the Contingencies Fund to retire all outstanding bonds by purchase on the open market, the Issuer may utilize such funds for such purpose.

All or any part of the moneys in the Contingencies Fund shall, at the written request of the Issuer, be invested in the manner provided by law, in obligations maturing in five (5) years or less and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which the respective funds are created. All income or earnings from such investments shall be deposited in the Revenue Fund as income and revenues of the System.

ARTICLE 6) **ADDITIONAL PARITY BONDS**

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

1. The Bonds or any part hereof, including interest, may be refunded and the refunding bonds so issued shall enjoy complete equality of lien with the portion of the Bonds which is not refunded, if there be any, and the refunding bonds shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Bonds refunded; provided, however, that if only a portion of the Bonds outstanding is so refunded and if the refunding bonds require principal and interest payments during any year in excess of the principal and interest which would have been required to pay the Bonds refunded thereby, then such Bonds may not be refunded without the consent of the Owners of the unrefunded portion of the Bonds (provided such consent shall not be required if such refunding bonds meet the requirements set forth in clause 2 below).

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

(a) The Net Revenues for the completed Fiscal Year immediately preceding the year in which such Additional Parity Bonds are to be issued must have been not less than one and twenty hundredths (1.20) times the highest combined principal and interest requirements for any Fiscal Year period on all bonds then outstanding, including any Additional Parity Bonds theretofore issued and then outstanding which are payable from the income and revenues of the System (but excluding bonds which have been refunded or provisions otherwise made for their full and complete payment and prepayment), and the Additional Parity Bonds so proposed to be issued. In making the calculation required by this subparagraph 2(a), if the Issuer has adopted higher rates for water services on or before the date of issuance of the Additional Parity Bonds, the calculation of average annual Net Revenues for the previous two completed Fiscal Years may be made assuming such rates had been in effect during such period.

(b) There must be no delinquencies in payments required to be made into the various funds to be maintained by the Ordinance.

(c) The existence of the facts required by paragraphs (a) and (b) above must be determined by the Clerk of the Issuer.

(d) The additional bonds must be payable as to principal on April 1st of each year in which principal falls due and payable as to interest on April 1st and October 1st of each year.

(e) The proceeds of the Additional Parity Bonds must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System, or for refunding bonds issued for such purpose.

ARTICLE 7)
RATES AND CHARGES; COVENANTS AS TO THE
MAINTENANCE AND OPERATION OF THE UTILITIES SYSTEM

SECTION a) Obligation to Fix Rates. Except as provided herein, nothing in this Ordinance or in the Bonds shall be construed to prevent the Issuer from altering, amending or repealing from time to time as may be necessary any resolution or ordinance setting up and establishing a schedule or schedules 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 continued preservation of the rights of the Owners with respect to the income and revenues of the System, not alone for the payment of the principal of and interest on the Bonds, but to give assurance and insure that the income and revenues of the System shall be sufficient at

all times to meet and fulfill the other provisions stated and specified in Section 5.2 of this Ordinance. It is understood and agreed, however, that the Issuer shall fix and maintain and collect rates and charges for the services and facilities to be rendered by the System, irrespective of the user thereof, that no free service shall be furnished to any person, association of persons or corporation, public or private, or even to the Issuer itself. All water shall be metered, and there shall be no discrimination as to rates and charges for the services and facilities of the System as between users of the same type or class.

The Issuer, through the Governing Authority, hereby covenants to fix, establish, maintain and collect such rates, 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 such year sufficient to pay (i) the necessary expenses of operating and maintaining the System in each year, (ii) the principal and interest maturing on the Bonds in such year, (iii) sinking funds or other payments required for such year by this Ordinance, and (iv) all other obligations and indebtedness payable out of the income and revenues of the System for such year, and which will in any event provide revenues in each year, after paying all reasonable and necessary expenses of operating and maintaining the System in such year, at least equal to 120% of the largest amount of principal and interest maturing on the Bonds in any future fiscal year and on any Additional Parity Bonds; and that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

The Issuer agrees that the failure of any individual, partnership or corporation to pay said charge for any services rendered by the System within fifteen (15) days of the date on which they are due shall cause such charge to become delinquent; that if such delinquent charge, with interest and penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Issuer will shut off service 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 water services rendered by the System. All delinquent charges made for such services shall on the date of delinquency have added thereto a penalty of ten percent (10%) of the amount of the charge and the amount so due, including the penalty charge, shall, after thirty (30) days from the date of delinquency, bear interest at the rate of at least six per centum (6%) per annum. If service is 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.

SECTION b) Pledge of Revenues. In providing for the issuance of the Bonds, the Issuer does hereby covenant and warrant that it is lawfully seized and possessed of the System, that it has a legal right to pledge the income and revenues therefrom as herein provided, that the Bonds will have a lien and privilege on said income and revenues subject only to the prior payment of all reasonable expenses of operating and maintaining the System and that the Issuer will at all times maintain the System in first class repair and working order and condition.

SECTION c) Insurance. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall carry full coverage of insurance on the System at all times against those risks and in those amounts normally carried by privately owned public utility

companies engaged in the operation of such utilities. Said policies of insurance shall be issued by a responsible insurance company or companies duly licensed to do business under the laws of the State of Louisiana. In case of loss, any insurance money received by the Issuer, except public liability and property damage policies), shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed, or shall be deposited in the Contingencies Fund to supplement any other amounts required to be paid into said Fund.

SECTION d) Accounting for System Revenues. As 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 System. Not later than six (6) months after the close of each Fiscal Year the Issuer shall cause an audit of such books and accounts to be made by a recognized independent firm of certified public accountants, showing the receipts of and disbursements made for the account of the System. Such audit shall be available for inspection by the Owners, and a copy of such audit shall be furnished promptly after its completion to the Purchaser and to the fiscal agent bank of the Issuer. All expenses incurred in the making of the audits required by this Section shall be regarded and paid as a maintenance and operating expense.

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

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

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

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

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

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

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

Until an event of default shall have occurred, the Issuer shall retain full possession and control of the System with full right to manage, operate and use the same and every part thereof with the rights appertaining thereto, and to collect and receive, and, subject to the provisions of this Ordinance, to take, use and enjoy and distribute the earnings, income, rent, issue and profits accruing on or derivable from the System.

SECTION f) Sale or Lease of System. So long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall be bound and obligated not to sell, lease, encumber or in any manner dispose of the System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the Issuer of property which in its judgement has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System, when other property of equal value is substituted therefor or the sale price thereof is deposited in the Contingencies Fund.

SECTION g) Priority of Lien. Except as provided in Section 6.1 of this Ordinance, the Issuer hereby covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge whatsoever having priority over or a parity with the lien of the Bonds and the interest thereon upon any of the income and revenues of the System pledged as security therefor in this Ordinance.

SECTION h) Security of and Covenant to Maintain System Revenues. So long as any of the Bonds are outstanding and unpaid, the Issuer, in operating the System, shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the operation of the System, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION i) Consulting Engineers. 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 maintained pursuant to Article V hereof, it will retain a regionally known consulting utility engineer or firm of consulting utility engineers (hereinafter referred to as the "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 selected with special reference to his knowledge and experience in the construction and operation of public utility properties and must be approved by the original purchasers of the Bonds herein authorized. 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 engineer or firm of engineers appointed or retained by the Issuer, with the consent and approval of the original 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 year's business prepared by the Issuer's certified public accountants, and in addition thereto, shall report upon the operations of

the System during the preceding year, the maintenance of the properties, the efficiency of the management of the property, the proper and adequate keeping of books of record and account, the adherence to budget and budgetary control provisions, the adherence to the provisions of this 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 Clerk of the Issuer and sent to the original purchasers of the Bonds and shall be open to inspection to any Owners.

It shall be the duty of the Consulting Engineer to pass on 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 Five Thousand Dollars (\$5,000), whether in one or more than one order, and whether authorized by a budget or not, from funds on deposit in the Contingencies Fund, and the Consulting Engineer shall devise and prescribe a form or forms wherein shall be set forth his or its approval in certificate form, copies of which shall be filed with the Clerk of the Issuer and the depository for the Contingencies Fund.

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 water service supplied by the System. A copy of said suggested budget and recommendations shall also be furnished by said Consulting Engineer directly to the Purchaser. 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 expenditure 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 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 be prepared monthly reports not later than the twentieth day of each month, for the preceding month's 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 Clerk of the Issuer, the manager or superintendent and with the original purchasers 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 Owners of twenty-five percent (25)% of the aggregate principal amount of the Bonds then outstanding, this

Governing Authority shall select and retain such Consulting Engineer as is named in the petition of said Owners.

The provisions of this Section shall apply only during any period when the Issuer may be in default in making required payments into the funds established by Section 5.2 of this Ordinance.

**ARTICLE 8)
SUPPLEMENTAL BOND ORDINANCES**

SECTION a) Supplemental Ordinances Effective Without Consent of Owners.
For any one or more of the following purposes and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent of a certified copy thereof, without any consent of Owners, shall be fully effective in accordance with its terms:

(a) to add to the covenants and agreements of the Issuer in this Ordinance other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Ordinance as theretofore in effect;

(b) to add to the limitations and restrictions in this Ordinance other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Ordinance as theretofore in effect;

(c) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Ordinance, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in the Ordinance;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this Ordinance; or

(e) to insert such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable and are not contrary to or inconsistent with this Ordinance as theretofore in effect.

SECTION b) Supplemental Ordinances Effective With Consent of Owners.
Except as provided in Section 8.1, any modification or amendment of this Ordinance or of the rights and obligations of the Issuer and of the Owners hereunder, in any particular, may be made by a supplemental ordinance with the written consent of the Owners of a majority of the Bond Obligation at the time such consent is given. No such modification or amendment shall permit a change in the terms of prepayment or maturity of the principal of any outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the prepayment price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owner of which is required to effect any such

modification or amendment, or change the obligation of the Issuer to impose utility rates and charges for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of this Ordinance if the same adversely affects or diminishes the rights of the Owners.

**ARTICLE 9)
REMEDIES ON DEFAULT**

SECTION a) Events of Default. If one or more of the following events (in this Ordinance called Events of Default) shall happen, that is to say,

- 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 the 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 Owners of not less than 25% of the Bond Obligation (as defined in the Ordinance); 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 Owners shall be entitled to exercise all rights and powers for which provision is made under Louisiana law.

**ARTICLE 10)
CONCERNING FIDUCIARIES**

SECTION a) Paying Agent; Appointment and Acceptance of Duties; Paying Agent Agreement. The Issuer will at all times maintain a Paying Agent having the necessary qualifications for the performance of the duties described in this Ordinance. The designation of Community Bank of Louisiana, in the City of Baton Rouge, Louisiana, 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 the 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.

The Executive Officers are hereby authorized and directed to execute a Paying Agent Agreement in such form and containing such provisions as such Executive Officers may determine, upon advice of bond counsel, to be necessary or appropriate, by the execution of which the Paying Agent shall accept the duties of the Paying Agent as set forth in this Ordinance. The Governing Authority reserves the right to appoint a successor Paying Agent by filing with the Person then performing such function a certified copy of a resolution or ordinance giving notice of the termination of the agreement and appointing a successor and causing notice to be given to each Owner. Every Paying Agent appointed hereunder shall at all times be a trust company or bank organized and doing business under the laws of the United States of America or of any State and subject to supervision or examination by Federal or State authority.

SECTION b) 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, duly authorized to exercise trust powers and subject to examination by federal or state authority, with combined capital surplus and undivided profits of at least \$10,000,000. No resignation or removal of the Paying Agent shall become effective until a successor Paying Agent has been appointed and has accepted its duties.

ARTICLE 11) MISCELLANEOUS

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

ii) Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased using Defeasance Obligations pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto. In the event of an advance refunding, the Issuer shall cause to be delivered to the Paying Agent a verification report of an independent nationally recognized certified public accountant.

SECTION b) 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 entitled thereto.

SECTION c) Parties Interested Herein. Nothing in this 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 the Owners any right, remedy or claim under or by reason of the Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent and the Owners.

SECTION d) No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this

Ordinance against any member of this Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION e) Successors and Assigns. Whenever in this 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 Ordinance contained by or on behalf of the Issuer shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

SECTION f) Subrogation. In the event the Bonds, or any of them, should ever be held invalid by any court of competent jurisdiction, the Owner or Owners thereof shall be subrogated to all the rights and remedies against the Issuer had and possessed by the owner or owners of the Refunded Bonds.

SECTION g) Severability. In case any one or more of the provisions of this 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 Ordinance or of the Bonds, but this 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 Ordinance which validates or makes legal any provision of this Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Ordinance and to the Bonds.

SECTION h) Publication of Ordinance; Peremption. This Ordinance shall be published one time in the official journal of the Issuer; 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.

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

SECTION j) Effective Date. This Ordinance shall become effective immediately upon adoption.

SECTION 11.11. Disclosure Under SEC Rule 15c2-12. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c-2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because, among other reasons, the aggregate principal amount of the Bonds is less than \$1,000,000.

**ARTICLE 12)
SALE OF BONDS**

SECTION a) Sale of Bonds. The Bonds are hereby awarded to and sold to the Purchaser at a price equal to the par amount of the Bonds and under the terms and conditions set forth in the Offer to Purchase (attached hereto as Exhibit B), and after their execution and authentication by the Paying Agent, the Bonds shall be delivered to the Purchaser or their agents or assigns, upon receipt by the Issuer of the agreed purchase price. The Clerk of the Issuer is hereby authorized, empowered and directed to execute the Offer to Purchase on behalf of the Issuer, and the Executive Officers are authorized to deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by them necessary or advisable to implement this Ordinance or to facilitate the sale of the Bonds.

**ARTICLE 13)
REDEMPTION OF REFUNDED BONDS**

SECTION a) Issuance of Bonds; Application of Proceeds. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary to carry out the provisions of this Ordinance, to cause the necessary Bonds to be printed to issue, execute, seal and deliver the Bonds in accordance with the sale thereof, and to collect and deposit the purchase price therefor as provided herein. All of the proceeds derived from the sale of the Bonds, and the moneys available from the Sinking Fund, Reserve Fund and other available sources, shall be applied to the refunding and payment of the Refunded Bonds, except for those proceeds and/or moneys applied to pay the costs of issuance of the Bonds.

SECTION b) Call for Redemption. The Refunded Bonds are called for redemption on the date of delivery of the Bonds, at the principal amount thereof in compliance with the ordinance authorizing its issuance.

SECTION c) Notice of Redemption. In accordance with the Refunded Bond Resolution, a notice of redemption in substantially the form attached hereto as Exhibit C, shall be given by means of first class mail, postage prepaid, by notice deposited in the United States mails not less than thirty (30) days prior to the redemption date addressed to the registered owners of the Refunded Bonds at his address as shown on the registration books of the Paying Agent.

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

Page **24** of **27**
City of Mansfield
 City Council Meeting
 Minutes for
December 10, 2012

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
G. B. Hall, III	X	_____	_____	_____
Joseph Hall, Jr.	X	_____	_____	_____
Cynthia T. Cruse	X	_____	_____	_____
	_____	_____	_____	_____
Mitchell L. Lewis	X	_____	_____	_____
Troy N. Terrell	X	_____	_____	_____

There being a favorable vote of at least a majority of the authorized members of the Governing Authority, the ordinance was declared adopted on this, the 10th day of December, 2012.

/s/ Marvin Jackson

 Clerk

Presented to Mayor on December 10, 2012, for action as evidenced by his signature.

Approved: /s/ Curtis W. McCoy

Disapproved: _____

Returned to Clerk on December 10, 2012

Item C: It was MOTIONED by **MITCHELL L. LEWIS** and SECONDED by **G. B. HALL III** to adopt a Resolution providing for canvassing the returns and declaring the result of the special election held in the City of Mansfield, State of Louisiana, on Tuesday, **November 6, 2012**, to authorize the levy of a special tax therein. A tally of the election returns resulted in **1141** votes for the passage of the proposition to renew the 10-yr. property tax millage and **686** votes against approval of the tax proposition. Motion Passed Unanimously. (Full copy of Resolution on file at Mansfield City Hall).

Item D: No other old business discussed.

New Business:

Item A: It was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **MITCHELL L. LEWIS** to approve **Change Order No. 7** as submitted by *David Lawler Construction, INC.* for the Water Distribution System Improvements Project. This Change Order represents the City's request to install a 16" gate valve at the Stanley Water Booster Station. This was an additive Change Order in the amount of \$16,932.00 to the construction contract, adjusting the former bid price of \$3,087,213.62 to \$3,104,145.62. The time provided for completion of the contract is increased by **14** calendar days.

Item B: At this time a Public Hearing was held to invite discussion of the City of Mansfield's proposed Operating Budget for fiscal year **2013**. Mayor McCoy opened the floor to hear any comments regarding the proposed 2013 Operating Budget. When no comments were offered, the public hearing was then closed.

Item C: It was MOTIONED by **G. B. HALL III** and SECONDED by **MITCHELL L. LEWIS** to adopt an Ordinance approving the City's Operating Budget of Revenue and Expenditures for FY **2013** (01/01/13 – 12/31/13). Motion Passed Unanimously. (Full Ordinance recited below):

**CITY of MANSFIELD
PROPOSED BUDGET ORDINANCE
ORDINANCE 11 of 2012**

AN ORDINANCE ADOPTING AN OPERATING BUDGET OF REVENUE AND EXPENDITURES FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2013 AND ENDING DECEMBER 31, 2013.

BE IT ORDAINED BY THE BOARD OF ALDERMEN, City of Mansfield, in general session convened that:

SECTION 1: The attached detailed estimate of revenues for the fiscal year beginning January 1, 2013, and ending December 31, 2013, being the same is hereby adopted to serve as an operating Budget of Revenues for the City of Mansfield during the said period.

SECTION 2: The attached estimates of expenditures by department for fiscal year beginning January 1, 2013, and ending December 31, 2013, being the same is hereby adopted to serve as an operating Budget of Expenditures for the City of Mansfield during the said period.

SECTION 3: The adoption of the Operating Budget of Expenditures being the same is hereby declared to operate as an appropriation of the amount therein set forth within the terms of the budget classification.

SECTION 4: Amounts are available for expenditures only to the extent included within the 2013 Budget.

SECTION 5: All power to alter this Budget is reserved by the Board of Aldermen.

Upon motion by Alderman G. B. Hall III, seconded by Alderman Mitchell L. Lewis, passed and adopted at Mansfield, Louisiana on this 10th day of December, 2012.

/s/ Curtis W. McCoy, *Mayor*

/s/ Marvin R. Jackson, *Clerk*

Item D: It was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **TROY N. TERRELL** to approve the engagement of independent auditor, Mr. *William E. Weatherford*, CPA, LLC to perform the City's annual financial audit for FYE December 31, 2012. The deadline for submission of the City's audit report to the LA Legislative Auditor's office is by or before June 30, 2013. Motion Passed Unanimously.

Item E: It was MOTIONED by **MITCHELL L. LEWIS** and SECONDED by **G. B. HALL III** to approve the recommendation of City Clerk, Marvin Jackson, to offer full-time employment to Mrs. *Ashley L. Dees*, currently working in the capacity of Asst. Cashier/Billing Clerk at Mansfield City Hall. Mrs. Dees was originally hired on September 4, 2012, and was assigned to work at Mansfield City Hall in the Water Department. She takes initiative to perform tasks not assigned to her and has proven to be a valuable asset to the staff at City Hall. Motion Passed Unanimously.

Item F: It was MOTIONED by **JOSEPH HALL, JR.** and SECONDED by **TROY N. TERRELL** to offer full-time employment to patrol officers, *Ri'chard Duncan*, *Demarcus Evans* and *Fred Jones* in the Mansfield Police Department. Mr. Ri'chard Duncan has been employed with the Police Department since March 21, 2012. He has attained an excellent attendance record, has proven he is capable of following the instructions given to him by his supervisors and demonstrated his ability to interact with the public in a courteous and professional manner. Mr. Demarcus Evans has been employed with the Police Department since June 15, 2012. He has attained an excellent attendance record, has proven he is capable of following the instructions given to him by his supervisors and demonstrated his ability to interact

with the public in a courteous and professional manner. Mr. Fred Jones has been employed with the Police Department since **May 29, 2012**. He has attained an excellent attendance record, has proven he is capable of following the instructions given to him by his supervisors and demonstrated his ability to interact with the public in a courteous and professional manner. Motion Passed Unanimously.

Item G: At this time, Mr. *Allen Priest*, territory sales director for the Citizenre Corporation, was scheduled to make a presentation, but notified Mayor McCoy earlier in the evening that he was ill and would have to reschedule. Mr. Priest's presentation was rescheduled to be heard by the Council at their regular meeting on January 14, 2013.

Item H: No other new business discussed.

During the **Comments Period** for the Mayor and Council Members, Mayor McCoy remarked that the City's Annual Christmas Parade held on Saturday, December 8, 2012 was a huge success. All the attendants and participants seemed to enjoy the planned festivities for the day.

With no further business to discuss, the meeting adjourned at **5:04 p.m.**, by MOTION from **JOSEPH HALL, JR.** and was SECONDED by **MITCHELL L. LEWIS**. Motion Passed Unanimously.

Curtis W. McCoy, *Mayor*
Marvin R. Jackson, *Clerk*