



St. Bernard Parish Council

8201 West Judge Perez Drive Chalmette, Louisiana, 70043
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#34

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at Large

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Councilman
at Large

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Nathan Gorbaty
Councilman
District B

Richard "Richie" Lewis
Councilman
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Casey W. Hunnicutt
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**Manuel "Monty"
Montelongo III**
Councilman
District E

Roxanne Adams
Clerk of Council

EXTRACT OF THE OFFICIAL PROCEEDINGS OF THE COUNCIL OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA, TAKEN AT A REGULAR MEETING HELD IN THE COUNCIL CHAMBERS OF THE ST. BERNARD PARISH GOVERNMENT COMPLEX, 8201 WEST JUDGE PEREZ DRIVE, CHALMETTE, LOUISIANA ON TUESDAY, APRIL 21, 2015 AT SEVEN O'CLOCK P.M.

On motion of Mr. Lewis, seconded by Mr. Gorbaty, it was moved to **adopt** the following ordinance:

ORDINANCE SBPC #1628-04-15

Summary No. 3224

Introduced by: Council on 4/7/15
EFC recommended **APPROVAL** on 4/16/15
Public hearing held on 4/21/15

A GENERAL BOND ORDINANCE AUTHORIZING THE ISSUANCE FROM TIME TO TIME OF UTILITIES REVENUE BONDS OF THE PARISH OF ST. BERNARD, STATE OF LOUISIANA; PRESCRIBING THE FORM, AND CERTAIN TERMS AND CONDITIONS OF SAID BONDS; ESTABLISHING FUNDS AND ACCOUNTS RELATING TO SAID BONDS; PROVIDING FOR THE PAYMENT THEREOF IN PRINCIPAL AND INTEREST INCLUDING A RATE COVENANT RELATING THERETO; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Parish of St. Bernard, State of Louisiana (the "Parish") now owns and operates a combined water and sewer system (the "System") as a combined revenue-producing work of public improvement; and,

WHEREAS, the Parish currently has no outstanding bonds payable from a pledge and dedication of the income and revenues of the System; and

WHEREAS, pursuant to Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:821, *et seq.*), Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1011, *et seq.*), Section 2304 of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 30:2304), Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1430), and/or Chapter 14-A, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1444, *et seq.*), and other constitutional and statutory authority, it is now the desire of this Parish Council, as governing authority of the Parish, to adopt this General Bond Ordinance in order to provide for the issuance from time to time, and in one or more series, of utilities revenue bonds of the Parish (the "Bonds"), for the purpose of paying the cost of acquiring and constructing additions, extensions and improvements to the System, and for the other purposes set forth herein;



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NOW, THEREFORE, BE IT ORDAINED by the Parish Council of the Parish of St. Bernard, State of Louisiana, acting as governing authority of the Parish of St. Bernard, State of Louisiana, that:

ARTICLE I DEFINITIONS AND INTERPRETATION

SECTION 1.01 Definitions. The following terms used in this General Bond Ordinance shall have the following meanings, unless the context clearly requires otherwise:

"Act" means any one or more of the following statutory authorities for the issuance of revenue bonds by the Parish:

- (i) Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:821, *et seq.*);
- (ii) Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1011, *et seq.*);
- (iii) Section 2304 of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 30:2304); and/or
- (iv) Section 1430, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1430) together with any other constitutional and statutory authority supplemental thereto.

"Bonds" means any future issue of bonds authorized by this General Bond Ordinance and by a Series Ordinance.

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

"Bond Year" means the one-year period ending on each December 1.

"Business Day" means any day on which the Federal Reserve System is in operation, the New York Stock Exchange is not closed and banks in the Parish of St. Bernard and in the Parish of Orleans are open for business.

"Capital Appreciation Bonds" shall mean Bonds which pay interest only at maturity or redemption.

"Code" means the Internal Revenue Code of 1986, as the same may be amended and supplemented from time to time, including any regulations promulgated thereunder or any administrative or judicial interpretations thereof.



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"Costs of the Project" means, with reference to any Project, all capital costs incurred or to be incurred for such Project, including but not limited to (a) engineering relating to the Project, (b) financing, legal and other fees and expenses related to the issuance of any series of the Bonds, (b) acquisition and construction costs of the Project, (c) interest on the Bonds during construction, and (d) a reasonable allowance for contingencies, all to the extent permitted by the Act and any rules or regulations promulgated thereunder.

"Credit Enhancement" shall mean any letter of credit, insurance policy, surety bond, standby bond purchase agreement or similar facility as used in connection with a series of the Bonds.

"Defeasance Obligations" means cash and/or Government Securities.

"Delivery Date" means the date on which any series of the Bonds are delivered to the purchaser thereof.

"Department" means (i) with respect to the Clean Water State Revolving Fund, the Louisiana Department of Environmental Quality and (ii) with respect to the Drinking Water Revolving Loan Fund, the Louisiana Department of Health and Hospitals, and any successor to the duties and functions thereof.

"Executive Officers" means, collectively, the Parish President of the Parish and the Clerk of this Governing Authority.

"Fiscal Year" means the one-year accounting period beginning on January 1 of each year, or such other fiscal year period as may be determined from time to time by the Governing Authority as the fiscal year of the Parish.

"Fixed Rate Bonds" means any series of Bonds issued with a fixed rate or rates or interest for the entire term thereof.

"General Bond Ordinance" means this General Bond Ordinance.

"Governing Authority" means the Parish Council of the Parish of St. Bernard, State of Louisiana, or its successor in function.

"Government Securities" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to their maturity, may be United States



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Treasury Obligations such as the State and Local Government Series and may be in book-entry form.

"Interest Payment Date" means each date on which interest on any series of the Bonds is payable, as shall be set forth in the applicable Series Ordinance, which dates shall occur semi-annually unless otherwise required by the purchaser of any series of the Bonds.

"Net Revenues" means for the period in question the Revenues of the System, determined in accordance with then generally accepted accounting principles, after the payment of all reasonable and necessary expenses of operating and maintaining of the System as are not provided for from other lawfully available sources, except that there shall be excluded from the calculation of Net Revenues the following:

- a) Gains on the sale or other disposition of investments or fixed or capital assets, which do not result from the ordinary course of business;
- b) Investment income that is 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 Parish;
- c) Any amounts received by way of government grants; and
- d) Any capital outlay moneys received from the State;

Furthermore, there shall be added back to net income for purposes of calculating Net Revenues hereunder the following:

- a) Losses on the sale or other disposition of investments or capital assets which do not result from the ordinary course of business;
- b) Depreciation and amortization allowances;
- c) Amounts paid as principal interest or redemption premium on any of the Bonds; and
- d) Interest earnings on any of the funds described in Section 0.

"Ordinance" means this General Bond Ordinance authorizing the issuance of the Bonds, as hereafter amended or supplemented by Series Ordinances or in accordance with Article 0 hereof.



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

- (a) Bonds that have been cancelled or delivered to the Paying Agent for cancellation;
- (b) Bonds that have been defeased in accordance Section 0 hereof;
- (c) Bonds in exchange for or *in lieu* of which other Bonds have been registered and delivered pursuant to this General Bond Ordinance; or
- (d) Bonds alleged to have been mutilated, destroyed, lost or stolen which have been paid as provided in this General Bond Ordinance or by law.

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

"Parish" shall mean the Parish of St. Bernard, State of Louisiana.

"Paying Agent" means the person or organization designated as such in a Series Ordinance.

"Parity Obligations" means any additional *pari passu* indebtedness issued by the Parish pursuant to this General Bond Ordinance and a Series Ordinance, and payable from the Net Revenues in accordance with Section 0 hereof.

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

"Principal Payment Date" means each date on which principal on any series of the Bonds is payable, as shall be set forth in the applicable Series Ordinance, which dates shall occur annually unless otherwise required by the purchaser of any series of the Bonds.

"Project" means the acquisitions, extensions and improvements to any component of the System (drinking water or wastewater) being financed by the sale of a series of the Bonds.



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"Refunding Act" means Chapter 14-A, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1444, *et seq.*), and other constitutional and statutory authority supplemental thereto, which authorize the issuance of refunding bonds.

"Reserve Fund Requirement" means the amount set forth as such in the applicable Series Ordinance.

"Revenues of the System" means all income and revenues to be derived by the Parish from the operation of the System, including User Fees or service fees and other income received from the operation of the System and earnings on investments in the funds and accounts described in Section 0 hereof, but not including any insurance or condemnation proceeds, or proceeds from the sale or other disposition of any part of the System, and including the following:

- (a) revenues of any *ad valorem* or sales tax that may be dedicated in whole or in part to the System and actually budgeted in a Fiscal Year to the improvement, operation or maintenance of the System or for the payment of debt service on the Bonds;
- (b) revenues from any other source whatsoever that are actually budgeted in a Fiscal Year to the improvement, operation or maintenance of the System or for the payment of debt service on the Bonds; and
- (c) amounts received by the Parish as a "Build America Bond" or other similar federal reimbursement, subsidy or similar payment with respect to any series of the Bonds.

"Series Ordinance" means an Ordinance adopted by the Governing Authority in accordance with Section 0 hereof authorizing the issuance and sale of any series of the Bonds.

"State" means the State of Louisiana.

"System" means the combined water and sewer system of the Parish, as said combined system now exists and as it may be hereafter improved, extended or supplemented from any source whatsoever while the Bonds herein authorized remains outstanding, including specifically all properties of every nature owned, leased or operated by the Parish and used or useful in the operation of the System, and including real estate, personal and intangible properties, contracts, franchises, leases and chooses in action, whether lying within or without the boundaries of the Parish.



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"User Fees" means charges or fees levied on users of the System for the cost of operation, maintenance and replacement of the System, for the repayment of debt incurred with respect to the System and for such other purposes as may be determined by the Governing Authority from time to time.

"Variable Rate Bonds" means any series of Bonds issued with a variable, adjustable, convertible or other similar rate or rates which are not fixed for the entire term thereof.

SECTION 1.02. Rules of Interpretation. Unless the context clearly indicates to the contrary, the following rules shall apply to the interpretation and construction of this General Bond Ordinance:

- a) Words importing the singular number shall include the plural number and *vice versa*;
- b) All references to particular articles or sections herein are references to articles or sections of this General Bond Ordinance;
- c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this General Bond Ordinance, nor shall they affect its meaning, construction or effect;
- d) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms as used in this General Bond Ordinance refer to this General Bond Ordinance in its entirety and not the particular article or section of this General Bond Ordinance in which they appear; and
- e) The term "hereafter" means after the date of execution of this General Bond Ordinance and the term "heretofore" means before the date of the execution of this General Bond Ordinance.

ARTICLE II AUTHORIZATION, ISSUANCE AND SALE OF BONDS

SECTION 2.01. Authorization and Issuance of Bonds. This General Bond Ordinance authorizes the issuance of indebtedness of the Parish to be designated "Utilities Revenue Bonds (or Utilities Revenue Refunding Bonds, as the case may be) of the Parish of St. Bernard, State of Louisiana," and provides for the full and final payment of the principal or prepayment price of and interest thereof. Bonds



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may be, but are not required to be, designated as "taxable" or "tax-exempt" as the case may be, and may carry any other descriptive title as this Governing Authority may determine and set forth in a Series Ordinance.

All of the Bonds shall be issued under the authority of the Act and/or the Refunding Act, as the case may be. The Bonds shall be issued for the purpose of financing the costs of acquiring and constructing additions, extensions and improvements to the System or any portion thereof, and/or for the purpose of refunding any obligations issued for the same purposes. Proceeds of the Bonds may also be used to pay costs of issuance, costs of credit enhancement, capitalized interest and any required deposit to the Reserve Fund.

SECTION 2.02 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 General Bond Ordinance shall be a part of the contract of the Parish with the Owners and shall be deemed to be and shall constitute a contract between the Parish and the Owners from time to time of the Bonds.

SECTION 2.03. Obligation of Bonds. All of the Bonds, regardless of the date of issue, 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. Subject to the foregoing, the Net Revenues are irrevocably and irrevocably pledged in an amount sufficient for the payment of the Bonds, in principal and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth herein. The Revenues of the System shall be set aside in the funds and accounts described in Section 0 and shall be and remain so pledged for the security and payment of the Bonds in principal and interest, and for all other payments provided in this General Bond Ordinance, until all of the Bonds shall be fully paid and discharged.

The lien of the Bonds on the Net Revenues is intended to be and shall be prior and superior to the lien on any other indebtedness of the Parish payable from "all available revenues."

The Parish covenants and agrees to take such action as may be necessary from time to time to preserve the priority of the pledge of the Net Revenues under applicable law.

SECTION 2.04. Series Ordinances. The details of each series of the Bonds shall be set forth in a Series Ordinance to be adopted by the Governing



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Authority. Each Series Ordinance shall provide the following with respect to the applicable series of the Bonds:

- a) The purposes, dated date, series designation and principal amount, and whether such series is issued under the Act (and specifying which statutory reference thereof) and/or the Refunding Act;
- b) Whether such series will be Capital Appreciation Bonds, Fixed Rate Bonds or Variable Rate Bonds, and a description of the applicable interest rate or rates (or method of determining same) and the Interest Payment Dates;
- c) The schedule of principal maturities or installments, or a formula for establishing same, and if such series will be Capital Appreciation Bonds a table of accreted values;
- d) The manner of payment of principal and interest;
- e) The optional and/or mandatory redemption provisions;
- f) The form or forms of bonds;
- g) The designation of the initial Paying Agent;
- h) The terms of sale to the purchaser thereof;
- i) The Reserve Fund Requirement, if any, and the amount, if any, of proceeds to be deposited into the account in the Reserve Fund, the date on which deposits to the Contingencies Fund shall commence and any changes in amounts to be deposited to or maintained in the Contingencies Fund established in Section e);
- j) If the series is issued to refund any outstanding obligations, a description of the plan of refunding and approval of any matters necessary or convenient to effect such refunding including the designation of an escrow agent and approval of an escrow deposit agreement, if necessary;
- k) A finding by this Governing Authority that the parity requirements of the Outstanding Parity Bond Ordinances and/or Section 0 hereof will have been met with respect to such series, and a proposed form of parity certifications to be delivered on the Delivery Date of the series;



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- l) A finding by this Governing Authority that the proceedings had in connection with the issuance of such series is regular and authorizing the legend described in Section 0 to be included in the bonds of such series;
- m) Authorization of the Executive Officers and/or such other persons as may be so designated to execute documents in connection with such series;
- n) The designation of such series as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code, if applicable;
- o) The designation of such series as "Build America Bonds" or other similar designations under federal or state laws or regulations as may be applicable;
- p) Provisions for any continuing disclosure agreement as may be required by Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)];
- q) Provisions for any post-issuance federal tax compliance procedures as may be necessary in connection with the issuance of the series;
- r) Provisions for obtaining the approval of the State Bond Commission for the issuance of such series and covenants with respect to compliance with applicable rules and regulations of the State Bond Commission;
- s) Provisions with respect to any Credit Enhancement; and
- t) Any other additional provisions as may be necessary in connection with the issuance and sale of such series.

SECTION 2.05 Paying Agent. The Parish will at all times maintain a Paying Agent meeting the qualifications hereinafter described for the performance of the duties hereunder for the Bonds and as provided in Section g) above will designate the Paying Agent for each series in the applicable Series Ordinance.

The Parish reserves the right to appoint a successor Paying Agent by (a) filing with the person then performing such function a certified copy of appropriate proceedings appointing a successor and (b) causing notice to be given to each Owner. Every successor Paying Agent appointed hereunder shall at all times be a financial or administrative officer of the Parish or a bank or trust company organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by Federal or State authority.

SECTION 2.06 Execution. The Bonds shall be executed in the name and on behalf of the Parish by the manual or facsimile signatures of the Executive Officers, and the corporate seal of the Parish (or a facsimile thereof) shall be affixed, imprinted, engraved or otherwise reproduced on the Bonds. If facsimile signatures



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are used, then such signatures shall have been registered with the Louisiana Secretary of State in the manner required by La. R.S. 39:244.

SECTION 2.07 Regularity of Proceedings. The Parish, after having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular in the applicable Series Ordinance, shall cause each series 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 III PREPAYMENT OF BONDS

SECTION 3.01 Optional Prepayment of Bonds. The principal installments of the Bonds shall be subject to prepayment by the Parish in the manner set forth in the applicable Series Ordinance, pursuant to Section e) above. If less than all of any maturity of Bonds is to be redeemed, then the Bonds to be redeemed shall be selected by the Paying Agent by lot, or in such other manner as may be set forth in the applicable Series Ordinance.

SECTION 3.02 Notice of Prepayment. Unless otherwise provided in a Series Ordinance, official notice of such call of any of the Bonds for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the Owner of each Bond to be prepaid at his address as shown on the registration records of the Paying Agent, which notice may be waived by any Owner. In the event a portion of the Bonds is to be prepaid, such Bonds shall be surrendered to the Paying Agent, who shall note the date and amount of such prepayment in the space provided therefor on the Bonds.

ARTICLE IV APPLICATION OF BOND PROCEEDS

SECTION 4.01. Application of Bond Proceeds. All of the proceeds derived from the sale of each series of the Bonds, except for any proceeds as may be designated in a Series Ordinance for deposit into the Reserve Fund or as accrued



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interest into the Debt Service Fund or as may be required in connection with the refunding of any indebtedness, or for the payment of the costs of any Credit Enhancement, shall be deposited by the Parish in a construction fund or account to be established for such series of the Bonds (the "Construction Fund"). Proceeds of any series of the Bonds in the Construction Fund (including investment earnings thereon) shall be used solely for the purpose of paying the applicable Costs of the Project and costs of issuance, and shall not be commingled with the proceeds of any other series of the Bonds.

However, in the case of refunding bonds, the proceeds to be used for refunding shall be applied to the immediate prepayment of the refunded obligations, or deposited into an escrow fund, as may be set forth in a Series Ordinance.

Any accrued interest and premium received upon the sale of the Bonds shall be deposited in the debt service fund described in Section b) hereof, unless otherwise specified in a Series Ordinance.

SECTION 4.02. Investment of Construction Fund. Moneys in the Construction Fund may be temporarily invested in the manner provided by Louisiana law. Said moneys shall be sacred funds and the Owners shall have a lien thereon until said funds are paid out for the purposes for which the applicable series of the Bonds were issued. Any investment earnings on moneys in the Construction Fund may be retained in the Construction Fund and applied for the purposes described in this Section, or may be transferred to the Debt Service Fund described in Section b) hereof and applied to the payment of interest accruing on the Bonds during the period of construction of Project.

All moneys in the Construction Fund shall at all times be secured to the full extent required by Louisiana law.

ARTICLE V PAYMENT OF BONDS; FLOW OF FUNDS

SECTION 5.01 Funds and Accounts. All of income and revenues earned or derived from the operation of the System shall be deposited daily as the same may be collected in a "Utility System Fund" (the "Revenue Fund"). Funds in the Revenue Fund shall be expended in the following order of priority and for the following express purposes:



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George Cavnac
*Councilman
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Nathan Gorbaty
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District B*

Richard "Richie" Lewis
*Councilman
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- a) The payment of all reasonable and necessary expenses of operating and maintaining of the System as are not provided for from other lawfully available sources.
- b) The establishment and maintenance of a "Utilities Revenue Bond Debt Service Fund" (the "Debt Service Fund"), herein referred to as the "Sinking Fund," with the regularly designated fiscal agent of the Parish, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds as they severally become due and payable, by transferring from funds in the Revenue Fund, after making the payments required by (a) above, to the Debt Service Fund monthly on or before the 20th day of each month of each year, a sum equal to 1/6th of the interest and Administrative Fee of the Department, if any, falling due on the Bonds on the next Interest Payment Date and a sum equal to 1/12th of the principal falling due on the Bonds on any Principal Payment Date that occurs within the next ensuing twelve months, together with such additional proportionate monthly sum as may be required to pay said principal, interest and Administrative Fee of the Department as the same become due. The Parish shall transfer from said Debt Service Fund to the paying agent(s) for all Bonds payable from the Debt Service Fund, or directly to the Owners, not less than three days prior to each Interest Payment Date, funds fully sufficient to pay promptly the principal, interest of the Bonds falling due on such date (including any administrative fee with respect to Bonds purchased by the Department).
- c) The establishment and maintenance of a "Utilities Revenue Bond Debt Service Reserve Fund" (the "Reserve Fund"), herein referred to as the "Reserve Fund," with the regularly designated fiscal agent of the Parish, the money in the accounts of the Reserve Fund to be retained solely for the purpose of paying the principal of and interest on the respective series of the Bonds payable from the Debt Service Fund as to which there would otherwise be default.
- d) The Reserve Fund shall contain a separate account for each series of the Bonds, each such account to be designated as the "Series (insert series designation) Account" and to be funded by transferring from the proceeds of such series, from other available revenues, or from the Revenue Fund (after making all required payments from said fund as hereinabove described), monthly or annually, such amounts as will increase the total amount on deposit in each account in the Reserve Fund within a period not



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exceeding five (5) years from the Delivery Date to a sum equal to the Reserve Fund Requirement for the applicable series of the Bonds.

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- e) The maintenance of the "Depreciation and Contingencies Fund" (the "Contingencies Fund"), with the regularly designated fiscal agent of the Parish, to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from funds in the Revenue Fund after making the payments required by (a), (b) and (c) above to the Contingencies Fund monthly on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month, or an amount equal to twenty-five percent (25%) of the amount scheduled that month for payment to the Sinking Fund, whichever is greater. Such payments into the Contingencies Fund shall commence on the date set forth in the applicable Supplemental Ordinance and shall continue until such time as there has been accumulated in the Contingencies Fund the sum of Five Hundred Thousand Dollars (\$500,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of Five Hundred Thousand Dollars (\$500,000), in which event such payments shall be resumed and continue until said maximum amount is again accumulated. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingencies Fund may also be used to pay the principal of and the interest on the Bonds for the payment of which there is not sufficient money in the Debt Service Fund and Reserve Fund described in paragraphs (b) and (c) above, but the money in said Contingencies Fund shall never be used for the making of improvements and extensions to the System or for payment of principal or interest on Bonds if the use of said money will leave in said Contingencies Fund for the making of emergency repairs or replacements less than the sum of One Hundred Thousand Dollars (\$100,000).

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- f) Any money remaining in the Revenue Fund after making the above-required payments may be used by the Parish for the purpose of calling and/or purchasing and paying any bonds payable from the Net Revenues, or for such other lawful corporate purposes as the Governing Authority may determine.



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SECTION 5.02 Reserve Fund Surety Bond or Policy Allowed. In lieu of the required transfers or deposits to any account in the Reserve Fund, the Parish may cause to be deposited into such account in the Reserve Fund a surety bond or an insurance policy for the benefit of the holders of the applicable series of the Bonds or a letter of credit in an amount equal to the difference between the Reserve Fund Requirement for such series and the sums then on deposit in the applicable account in the Reserve Fund, if any, after the deposit of such surety bond, insurance policy or letter of credit. Such difference may be withdrawn by the Parish and be deposited in the Revenue Fund. The surety bond, insurance policy or letter of credit shall be payable (upon the giving of notice as required thereunder) on any due date on which monies will be required to be withdrawn from the account in the Reserve Fund and applied to the payment of principal, premium, if any, or interest on the related series of the Bonds and such withdrawal cannot be met by amounts on deposit in such account in the Reserve Fund. If a disbursement is made pursuant to a surety bond, an insurance policy or a letter of credit provided pursuant to this section, the Parish shall be obligated either (i) to reinstate the maximum limits of such surety bond, insurance policy or letter of credit or (ii) to deposit into the applicable account in the Reserve Fund, funds in the amount of the disbursement made under such surety bond, insurance policy or letter of credit, or a combination of such alternatives, as shall result in the amount in the applicable account in the Reserve Fund being equal to the Reserve Fund Requirement for that series of the Bonds. Any other provision in this Section to the contrary notwithstanding, for each particular series of Bonds or portion thereof which is entitled to the benefits of Credit Enhancement, the right of the Parish to cause a surety bond or an insurance policy to be deposited into the Reserve Fund *in lieu* of the required cash transfers or deposits thereto shall be subject to the condition that the Parish obtain the prior written consent of the provider of the Credit Enhancement for such series as to the structure and the Parish or provider of such surety bond or insurance policy.

SECTION 5.03 Replenishment of Funds. If at any time it shall be necessary to use moneys in any account of the Reserve Fund or the Contingencies Fund for the purpose of paying principal or interest on Bonds payable from the Debt Service Fund as to which there would otherwise be default, then the moneys so used shall be replaced from the revenues first thereafter received, not hereinabove required to be used for the purposes described in Section a) and (b) above. If at any time there are sufficient moneys on deposit in the Debt Service Fund, Reserve Fund and Contingencies Fund to retire all outstanding Bonds payable from the Debt Service Fund by defeasance, by exercising the prepayment option provided by such Bonds or by purchase on the open market, then the Parish may utilize such funds for such purpose.



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SECTION 5.04 Notification of Deficiencies. As required by La. R.S. 39:1410.62 the Parish will notify the State Bond Commission, in writing, whenever (i) transfers to any fund required to be established by this General Bond Ordinance or any ordinance or resolution authorizing the issuance of other indebtedness of the Parish have not been made timely or (ii) principal, interest, premiums, or other payments due on the Bonds or any other outstanding indebtedness of the Parish have not been made timely.

SECTION 5.05 Investment of Funds. All or any part of the moneys in the foregoing funds and accounts shall, at the written request of the Parish, be invested in accordance with the provisions of the laws of the State of Louisiana, except that moneys in any account in the Reserve Fund, if any, must be invested in Government Securities maturing in five (5) years or less from the date of investment. All income derived from such investments shall be added to the money in said respective funds or to the Revenue Fund and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purpose for which the respective funds are herein created.

For the purpose of determining if the required amount is being maintained in any of the funds, such investment securities shall be valued at least annually at the lesser of amortized cost (exclusive of accrued interest) or fair market value.

SECTION 5.06 Deposit of Funds and Security Therefor. All of the income and revenues to be earned from the operation of the System shall be deposited daily as provided in Section 0 hereof in the Revenue Fund, which Fund shall be maintained separate and apart from all other funds of the Parish. The Debt Service Fund, the Reserve Fund and the Contingencies Fund shall be held by the depository banks as special trust funds for the purposes provided in this General Bond Ordinance, and all other funds shall be held by the designated banks as special deposits for the purposes set forth in this General Bond Ordinance, and subject to such reasonable instructions as the Governing Authority may give in writing to the banks holding such funds. The Owners are hereby granted a lien on all funds established pursuant to the requirements of this General Bond Ordinance until applied in the manner herein provided, provided that the Owners will only have a lien or claim against the particular account in the Reserve Fund that pertains to the issue of the Bonds that such Owners own. The moneys on deposit in all of the funds herein required shall at all times be secured by the banks or trust companies holding such funds to the full extent required by Louisiana law.



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ARTICLE VI ISSUANCE OF PARITY OBLIGATIONS

SECTION 6.01 Issuance of Parity Obligations; Parity Requirements. The Parish hereby covenants that it shall issue no other bonds hereunder or otherwise, or obligations of any kind or nature payable from or enjoying a lien on any part of the Net Revenues having priority over or parity with any of the Bonds, except that Parity Obligations may be issued hereunder and hereafter if the following conditions are met:

- a) If any of the Bonds or any bonds issued hereunder are proposed to be refunded with reduced annual debt service in each Bond Year and no extension of the final maturity date, then the Parish may issue refunding bonds to effect such refunding, and such refunding bonds shall enjoy complete equality of lien with any portion of Bonds that are still outstanding;
- b) Parity Obligations may also be issued if all of the following conditions are met:
 - i. The average Net Revenues for the two (2) completed Fiscal Years immediately preceding the issuance of the Parity Obligations must have been not less than 1.25 times the highest combined principal and interest requirements (including any Department administrative fee) for any succeeding Fiscal Year period on all Bonds then Outstanding, including any Parity Obligations theretofore issued and then outstanding and any other bonds or obligations whatsoever then outstanding which are payable from the Net Revenues (but not including Bonds which have been refunded or provisions otherwise made for their full and complete payment and prepayment), and the Parity Obligations so proposed to be issued. For the purpose of this calculation, principal maturities shall include mandatory redemption of term bonds and there shall be subtracted from term bond maturities the amount of such mandatory redemption so that the calculation shall be made assuming retirement of the term bonds according to the schedule of mandatory redemption. Furthermore, if Parity Obligations are being issued as Variable Rate Bonds, this calculation shall be made assuming interest on said Variable Rate Bonds at the maximum or ceiling rate that such bonds may bear; and provided further that this limitation may be waived or modified by the written consent of the



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owners of any Bonds then outstanding. If a rate increase has been effected prior to the issuance of the Parity Obligations, then the coverage calculations for the preceding three Fiscal Years immediately preceding the issuance of the Parity Obligations may be made as if such rate increase had been in effect during such period.

- ii. The payments required to be made into the various funds provided in Section 0 hereof must be current;
- iii. The existence of the facts required by paragraphs (i) and (ii) above must be determined and certified to by the chief financial officer of the Parish, or by an independent firm of certified public accountants who have previously audited the books of the Parish, or such successors thereof as may have been employed for that purpose;
- iv. In making the determination of the facts required by paragraph (i) above in the event of a rate increase having been effected prior to the issuance of the Parity Obligations, there may be a reliance upon the calculation of the adjustment of Net Revenues as a result of such increase as prepared by the Chief Financial Officer of the Parish or a recognized engineer or firm of engineers employed for such purpose;
- v. The proceeds of the Parity Obligations must be used solely for the making of improvements, extensions, renewals, replacements or repairs to the System or to refund any outstanding bonds payable from a pledge of the Net Revenues issued for such purposes;
- vi. No Event of Default hereunder or under any Series Ordinance (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance, unless otherwise permitted by the provider(s) of any Credit Enhancement; and

ARTICLE VII RATES AND CHARGES; RATE COVENANT; COVENANTS AS TO THE OPERATION OF THE SYSTEM

SECTION 7.01 Operation of the System. The Parish will maintain the System in good repair and operating condition.



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SECTION 7.02 Utility Connections. The Governing Authority shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land within the geographical boundaries of the Parish which abuts upon a street or other public way containing a drinking water distribution line or a wastewater collection line and upon which lots or parcels of a building shall have been constructed for residential, commercial or industrial use, to connect said building with the drinking water and/or wastewater portions of the System and to cease to use any other method for the furnishing of drinking water through the plumbing system of such building or the collection and disposal of wastewater from such building which can be handled by the drinking water and/or wastewater portions of the System. All such connections shall be made in accordance with the rules and regulations to be adopted from time to time by the Governing Authority, which rules and regulations may provide for an inspection charge to assure the proper making of such connection.

In addition to all other rights and remedies available to be used for the enforcement of utility charges and for the compelling of the making of water and sewer connections as aforesaid, the Parish covenants that it shall exercise and enforce promptly and efficiently all rights given it under the laws of the State for the enforcement and collection of such charges.

SECTION 7.03 Competitive Franchises. So long as the Bonds are Outstanding the Governing Authority, in its capacity as governing authority of the Parish, obligates itself not to grant a franchise to any utility for operation within the boundaries of the Parish which would render services or facilities in competition with the System, and also obligates itself to oppose the granting of any such franchise by any other public body having jurisdiction over such matters. Further, the Parish shall maintain its corporate identity and existence so long as any of the Bonds remain outstanding.

SECTION 7.04 Rate Covenant. The Parish, through the Governing Authority, hereby covenants to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year sufficient to pay the necessary expenses of administering, operating and maintaining the System in each year, the principal and interest maturing on the Bonds herein authorized in each year, all reserves or sinking funds or other payments required for such year by this Ordinance, and all other obligations or indebtedness payable out of the revenues of the System for such year. 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 and at any



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rate, the Governing Authority shall fix, establish, maintain, levy and collect such rates, fees, rents or other charges for services and facilities system to always provide revenues in each fiscal year sufficient to pay:

- a) The reasonable and necessary expenses of operating and maintaining the System in each Fiscal Year,
- b) The principal and interest and Administrative Fee, if any, of the Department falling due during the Fiscal Year;
- c) All other payments required for such Fiscal Year by this General Bond Ordinance and the applicable Series Ordinance(s); and
- d) All other obligations or indebtedness of the Parish payable out of the Net Revenues for such Fiscal Year,

and which in any event will provide Net Revenues, in an amount equal to at least 120% of the required deposits in such Fiscal Year to the Debt Service Fund. Such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate Revenues of the System for the foregoing purposes.

As provided by La. R.S. 39:1019, no board or commission other than the Governing Authority shall have authority to fix or supervise making of such fees and charges.

SECTION 7.05 Enforcement of User Fees. Except as otherwise provided, nothing in this Ordinance or in the Bonds shall be construed to prevent the Parish from altering, amending or repealing from time to time as may be necessary any resolutions or ordinances 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 the 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 0 of this Ordinance.

It is understood and agreed, however, that the Parish shall fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities to be rendered by the System, irrespective of the user thereof, that no free services or facilities shall be furnished to any person, association of persons or



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corporation, public or private, except the Parish itself, and that all service shall be metered, and that 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, provided, however, that the Parish shall not be required to meter water used for firefighting purposes through its fire hydrants.

It is further understood and agreed that the schedule of rates, fees, rents, or other charges being charged as of the date of the adoption of this General Bond Ordinance for services and facilities rendered by the System shall remain in effect until changed in compliance with the provisions of Section 0 of this Bond Ordinance. The Parish agrees that all charges owed by any individual, partnership or corporation for water and sewer rendered by the System shall be billed and collected as a unit; that failure of any individual, partnership or corporation to pay said combined charge within fifteen (15) days of the date on which it is billed shall cause such charge to become delinquent; that if such delinquent charge, with penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the Parish will shut off water service to the affected premises; and that the Parish, the 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 utilities services rendered by the System.

All delinquent charges for such services shall on the date of delinquency have added thereto delinquent charges, penalties and interest at such rate(s) as may be fixed from time to time by this Governing Authority. If service shall be discontinued as above provided, the customer shall in addition to paying the delinquent charges, penalties and interest, pay as a condition precedent to the resumption of service, a reasonable re-connection charge for each service resumed.

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 General 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 General 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 in Section 0 of this Ordinance.



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SECTION 7.06 Annual Review of User Fees. At least annually the Governing Authority shall review the adequacy of its User Fees to satisfy the requirements of Section 0 for the next succeeding Fiscal Year.

SECTION 7.07 Right to Pledge Revenues; Rank of Lien. In providing for the issuance of the Bonds, the Parish does hereby covenant and warrant that it has a legal right to pledge the Net Revenues as herein provided, that the Bonds will have a lien and privilege on said Net Revenues subject only to the prior payment from such Net Revenues or from other lawfully available sources of all reasonable and necessary costs and expenses of operating and maintaining the System. The lien of the Bonds on the Net Revenues shall be prior and superior to the lien on any other indebtedness of the Parish or Parish payable from "all available revenues."

SECTION 7.08 Records and Accounts; Audit Reports. The Parish will establish and maintain (or cause the Parish to establish and maintain) adequate financial records as required by the laws of the State governing financial record-keeping by political subdivisions and in accordance with generally accepted accounting principles ("GAAP") and will make these and the following records and reports available to the Owners or their authorized representatives upon request.

The Parish will cause an audit of its financial statements to be made by an independent firm of certified public accountants in accordance with the requirements of Chapter 8 of Title 24 of the Louisiana Revised Statutes of 1950, as amended, and if either Department owns any of the Bonds, in accordance with the requirements of Circular A-133 of the U.S. Office of Management and Budget, and Section 66.458 or 66.468, as the case may be, of the Catalog of Federal Domestic Assistance, if applicable. Upon completion, but in no event later than six (6) months after the close of the applicable Fiscal Year, the Parish shall file a copy of such audited financial statements with any Owner requesting same and to the provider(s) of any Credit Enhancement. In addition to whatever matters may be thought proper by the auditors to be included therein, the audited financial statements shall include the following:

- a) A statement in detail of the income and expenditures of the System for such Fiscal Year,
- b) A balance sheet of the System as of the end of such Fiscal Year;
- c) The accountant's comments regarding the manner in which the Parish has carried out the requirements of this General Bond Ordinance and the



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accountant's recommendations for any changes or improvements in the operation of the System or the method of keeping the records relating thereto;

- d) A list of the insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer and the expiration date of the policy;
- e) The number of System users at the end of the Fiscal Year;
- f) An analysis of additions, replacements and improvements to the physical properties of the System during the Fiscal Year;
- g) An analysis of all funds created pursuant to this General Bond Ordinance setting out as to each all deposits and disbursements made during the Fiscal Year;
- h) A statement of all schedules of User Fees in effect during the Fiscal Year, the aggregate dollar billed for services rendered by the System during such Fiscal Year and the average monthly billing per user; and
- i) A schedule of fixed assets, if not provided elsewhere in the audit report.

A reasonable portion of the expenses incurred in the preparation of the audit report required by this Section may be regarded and paid as a maintenance and operation expense of the System. The Parish further agrees that if the Department owns any of the Bonds, the Department shall have the right to ask for and discuss with the accountant making the review and the contents of the review and such additional information as it may reasonably require. The Parish further agrees that if the Department owns any of the Bonds, the Parish will furnish to the Department, upon request therefor, a monthly statement itemized to show the income and expenses of the operation of the System and the number of users for the preceding month.

SECTION 7.09 Rights of Bondholders; Appointment of Receiver in Event of Default. The Owners from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State of Louisiana, including, without limitation, La. R.S. 39:1014(C). 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



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District D*

**Manuel "Monty"
Montelongo III**
*Councilman
District E*

Roxanne Adams
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and contained in the Ordinance, and may enforce and compel the performance of all duties required by the Ordinance, or by any applicable statutes to be performed by the Parish or by any agency, board or officer thereof, including the fixing, charging and collecting of rentals, fees or other charges for the use of the System, and in general to take any action necessary to most effectively protect the rights of the Owners.

The provider of any Credit Enhancement with respect to a series of the Bonds shall be deemed to be the sole Owner of such Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of such Bonds are entitled to take pursuant to this General Bond Ordinance or the applicable Series Ordinance including, without limitation, those pertaining to (i) defaults and remedies under Article 0 and (ii) the duties and obligations of the Paying Agent.

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 the Debt Service Fund or Reserve Fund or any other payments required to be made by this General Bond Ordinance or any Series Ordinance, or in the event that the Parish or any agency, board, officer, agent or employee of the Parish shall fail or refuse to comply with the provisions of this General Bond Ordinance or any Series 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, then any Owner or any trustee appointed to represent such Owner(s) 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 and attorneys, enter into and upon and take possession of the System, and each and every part thereof, and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the Parish shall exercise all the rights and powers of the Parish with respect to the System as the Parish itself might do. Such receiver shall collect and receive all rates, fees, rentals and other revenues, maintain and operate the System in the manner provided in this General Bond Ordinance, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this General Bond Ordinance.

Whenever all that is due upon the Bonds and interest thereon, and under any covenants of this General Bond Ordinance or any Series Ordinance for reserve, sinking or other funds, and upon any other obligations and interest thereon, having a



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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 General Bond Ordinance and any Series Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Parish upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner of Bonds, or any trustee appointed for the Owners as hereinafter provided, shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

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

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

The Owner or Owners of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of Bonds issued under this General Bond Ordinance then Outstanding (including the Outstanding Parity Bonds) 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 chief financial officer of the Parish.



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UNTIL AN EVENT OF DEFAULT SHALL HAVE OCCURRED, THE PARISH SHALL RETAIN FULL POSSESSION AND CONTROL OF THE SYSTEM WITH FULL RIGHT TO MANAGE, OPERATE AND USE THE SAME AND EVERY PART THEREOF WITH THE RIGHTS APPERTAINING THERETO, AND TO COLLECT AND RECEIVE, AND, SUBJECT TO THE PROVISIONS OF THIS GENERAL BOND ORDINANCE, TO TAKE, USE AND ENJOY AND DISTRIBUTE THE EARNINGS, INCOME, RENT, ISSUE AND PROFITS ACCRUING ON OR DERIVABLE FROM THE SYSTEM.

SECTION 7.10 Limitations on Sale, Lease or Other Disposition of Property.

So long as any of the Bonds are outstanding and unpaid in principal or interest, the Parish 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 Parish of property which in its judgment has become worn out, unserviceable, unsuitable or unnecessary in the operation of the System, when other property of equal value or function is substituted therefor or the sale price thereof is deposited in the aforesaid Contingencies Fund.

SECTION 7.11 Prohibition Against Encumbrances. Except as provided in Section 0 of this General Bond Ordinance, the Parish will maintain title to or the possession of the System and equipment acquired and properties improved by the System, including any necessary servitudes and rights-of-way acquired in connection with the System or any Project. Title to any immovable equipment and any real property purchased by the Parish in connection with the System will remain free and clear of all liens and encumbrances. Furthermore, all movable property necessary for the operation of the System will remain free of all liens except liens necessary to secure the purchase of said movable equipment.

SECTION 7.12 Insurance; Fidelity Bonds. So long as the Bonds are outstanding the Parish will maintain or cause to be maintained in force insurance policies and fidelity bonds as shall be required by prudent business practices relating to the operation of municipal sewerage systems.

ARTICLE VIII FEDERAL TAX MATTERS; CONTINUING DISCLOSURE

SECTION 8.01 General Tax Covenants. In the event that any of the Bonds are issued as tax-exempt bonds for federal income tax purposes, or as Build America Bonds (or similar), the Parish covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements



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of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Bonds under the Code or the status of the Bonds as Build America Bonds (or similar).

The Parish further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds or any other funds of the Parish to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Bonds in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Bond proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be "private activity bonds" or fail to be Build America Bonds (or similar), if applicable.

ARTICLE IX SUPPLEMENTAL BOND ORDINANCES

SECTION 9.01 Supplemental Ordinances Effective Without Consent of Owners. For any one or more of the following purposes, in addition to the adoption of Series Ordinances pursuant to Section 0 with respect to the issuance of additional series of the Bonds, and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent and any rating agency which is then rating any of the Bonds, of a notice thereof at least fifteen (15) days prior to the adoption thereof, and thereafter with a certified copy thereof, but without any consent of the Owners, shall be fully effective in accordance with its terms:

- a) To add to the covenants and agreements of the Parish in this General Bond Ordinance other covenants and agreements to be observed by the Parish which are not contrary to or inconsistent with this General Bond Ordinance as theretofore in effect;
- b) To add to the limitations and restrictions in this General Bond Ordinance other limitations and restrictions to be observed by the Parish which are not contrary to or inconsistent with this General Bond Ordinance as theretofore in effect;
- c) To surrender any right, power or privilege reserved to or conferred upon the Parish by the terms of this General Bond Ordinance, but only if the



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surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Parish contained in this General Bond Ordinance;

- d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this General Bond Ordinance; or
- e) To insert such provisions clarifying matters or questions arising under this General Bond Ordinance as are necessary or desirable and are not contrary to or inconsistent with this General Bond Ordinance as theretofore in effect.

SECTION 9.02 Supplemental Ordinances Effective With Consent of Owners and Providers of Credit Enhancement. Except as provided in Sections 0 and 0, any modification or amendment of this General Bond Ordinance or of the rights and obligations of the Parish, the Owners or the provider of any Credit Enhancement hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Outstanding principal amount of the Bonds at the time such consent is given and the provider of Credit Enhancement for any affected series of the Bonds. The Parish shall give a notice thereof to the Paying Agent, the provider of Credit Enhancement for any affected series of the Bonds and any rating agency which is then rating the Bonds, at least fifteen (15) days prior to the adoption thereof, and thereafter shall furnish to said persons a certified copy thereof. 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 and the provider of Credit Enhancement for any affected series of the Bonds, 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 Parish to levy and collect User Fees as provided herein, without the consent of the Owners of all of the Bonds then outstanding and the provider of Credit Enhancement for any affected series of the Bonds or shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto.

ARTICLE X EVENTS OF DEFAULT; REMEDIES



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SECTION 10.01 Events of Default. If one or more of the following events (in this General Bond Ordinance called "Events of Default") shall happen, that is to say:

- a) 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
- b) 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
- c) default shall be made by the Parish in the performance or observance of any other of the covenants, agreements or conditions on its part in this General Bond Ordinance, any Series Ordinance or in the Bonds contained and such default shall continue for a period of thirty (30) days after written notice thereof to the Parish by the Owners of not less than 25% of the Outstanding principal amount of the affected series of the Bonds; or
- d) the Parish shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law.

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.

SECTION 10.02 Retention of Consulting Engineer in Case of Certain Defaults. THE PROVISIONS OF THIS SECTION SHALL APPLY ONLY DURING ANY PERIOD WHEN THE PARISH MAY BE IN DEFAULT IN MAKING REQUIRED PAYMENTS INTO THE FUNDS REQUIRED BY 0 OR WHEN AN "EVENT OF DEFAULT" HAS OCCURRED UNDER 0.

The Parish covenants and agrees that in the event it should fail to derive sufficient income from the operation of the System to make the required monthly payments into the funds established by Section 0 hereby or when an Event of Default has occurred hereunder, it will retain a professionally qualified engineer or engineering firm to provide continuous advice, consultancy and/or technical assistance with respect to the System until all defaults are cured (the "Consulting Engineer"). Such Consulting Engineer shall be retained under contract at such reasonable compensation as may be fixed by the Governing Authority, and the



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payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Consulting Engineer appointed under the provisions of this Section may be replaced at any time by another Consulting Engineer appointed or retained by the Parish, with the consent and approval of the Owners of a majority of the outstanding principal amount of the Bonds herein authorized.

The Consulting Engineer shall prepare within ninety (90) days after the close of each Fiscal Year a comprehensive operating report, which report shall contain therein or be accompanied by a certified copy of an audit of the preceding Fiscal Year prepared by the Parish's certified public accountants, and in addition thereto, shall report upon the operations of the System during the preceding Fiscal Year, the maintenance of the properties, the efficiency of the management of the System, the 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 General 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 Governing Authority and sent to the Owners, and shall be open to inspection by any Owners of any of the Bonds. 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 chief financial officer of the Parish.

Sixty (60) days before the close of each Fiscal Year, the Consulting Engineer shall submit to the Governing Authority a suggested budget for the ensuing year's operation of the System and shall submit recommendations as to the schedule of rates and charges for services supplied by the System, taking into account any other lawfully available funds of the Parish that may be available for such purposes. A copy of said suggested budget and recommendations shall also be furnished by said Consulting Engineer directly to the Owners. Such recommendations as to rates and charges, consistent with the requirements relating thereto contained herein, shall be followed by the Governing Authority insofar as



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practicable and all other recommendations shall be given careful consideration by the 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 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 chief financial officer of the Parish, the manager or superintendent and with the original purchaser of the Bonds.

In the event the 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 (including the Outstanding Parity Bonds), the Governing Authority shall select and retain such Consulting Engineer as is named in the petition of said Owners.

ARTICLE XI MISCELLANEOUS

SECTION 11.01 Defeasance. (a) If the Parish shall pay or cause to be paid to the Owners of all Bonds then outstanding, the principal and interest and prepayment premium, if any, to become due thereon, at the times and in the manner stipulated therein and in this General Bond Ordinance, then the covenants, agreements and other obligations of the Parish to the Owners of such Bonds shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Parish, execute and deliver to the Parish all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Parish all moneys, securities and funds held by them pursuant to this General Bond Ordinance which are not required for the payment or prepayment of Bonds not theretofore surrendered for such payment or prepayment.



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(b) 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 Parish of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section if they 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 addition to the foregoing, in connection with any defeasance the Parish shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant (the "Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (the "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 General Bond Ordinance. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Parish, the Paying Agent for the affected Bonds and the provider of Credit Enhancement for the affected Bonds. The provider of Credit Enhancement for any affected Bonds shall be provided with final drafts of the above referenced documentation not less than five business days prior to the funding of the escrow.

SECTION 11.02 Parties Interested Herein. Nothing in this General 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 Parish, the Paying Agent, the Owners and the providers of any Credit Enhancement any right, remedy or claim under or by reason of this General Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this General Bond Ordinance contained by and on behalf of the Parish shall be for the sole and exclusive benefit of the Parish, the Paying Agent, the Owners and the providers of any Credit Enhancement.

SECTION 11.03 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 General Bond Ordinance against any member of the Governing Authority or officer of the Parish or any person executing the Bonds.

SECTION 11.04 Successors and Assigns. Whenever in this General Bond Ordinance the Parish is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this General Bond Ordinance contained by or on behalf of the Parish shall bind and enure to the benefit of its successors and assigns whether so expressed or not.



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SECTION 11.05 Severability. In case any one or more of the provisions of this General 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 General Bond Ordinance or of the Bonds, but this General 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 General Bond Ordinance which validates or makes legal any provision of this General Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this General Bond Ordinance and to the Bonds.

SECTION 11.06 Publication of Ordinance. This General Bond Ordinance shall be published one (1) time in the official journal of the Parish.

SECTION 11.07 Effective Date. This General Bond Ordinance shall become effective immediately upon its adoption.

The above and foregoing having been submitted to a vote, the vote thereupon resulted as follows:

YEAS: Gorbaty, Lewis, Montelongo

NAYS: None

ABSENT: Lauga, Hunnicutt, McInnis

The Chairman, Mr. Cavignac, cast his vote as **YEA**.

And the motion was declared **adopted** on the 21st day of April, 2015.



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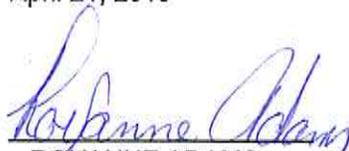
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Councilman
District B

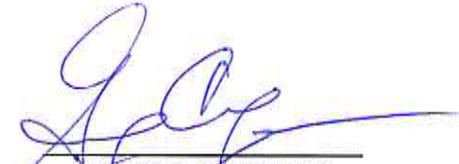
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ROXANNE ADAMS
CLERK OF COUNCIL


GEORGE CAVIGNAC
COUNCIL CHAIRMAN

Delivered to the Parish President

4/22/15 3:09 pm
Date and Time

Approved ✓

Vetoed _____

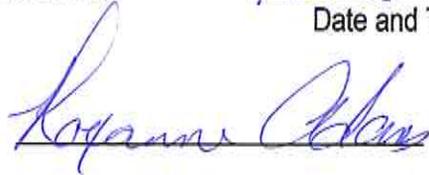
Parish President


David E. Peralta

Returned to Clerk of the Council

4-22-15 3:10pm
Date and Time

Received by





St. Bernard Parish Council

8201 West Judge Perez Drive Chalmette, Louisiana, 70043
(504) 278-4228 Fax (504) 278-4209
www.sbpbg.net

Guy McInnis
*Councilman
at Large*

George Cavnac
*Councilman
at Large*

Ray Lauga, Jr.
*Councilman
District A*

Nathan Gorbaty
*Councilman
District B*

Richard "Richie" Lewis
*Councilman
District C*

Casey W. Hunnicutt
*Councilman
District D*

**Manuel "Monty"
Montelongo III**
*Councilman
District E*

Roxanne Adams
Clerk of Council

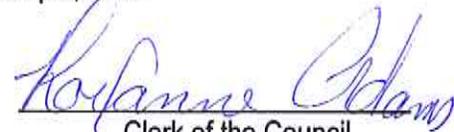
STATE OF LOUISIANA

PARISH OF ST. BERNARD

I, the undersigned Clerk of the Parish Council of the Parish of St. Bernard, State of Louisiana do hereby certify that the foregoing pages constitute a true and correct copy of General Bond Ordinance No. 1628-04-15, adopted by said Parish Council on April 21, 2015, authorizing the issuance from time to time of Utilities Revenue Bonds of Parish of St. Bernard, State of Louisiana; prescribing the form, and certain terms and conditions of said bonds; establishing funds and accounts relating to said bonds; providing for the payment thereof in principal and interest including a rate covenant relating thereto; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said Parish on this, the 21st day of April, 2015.

(SEAL)


Clerk of the Council