

This Ordinance (the “Bond Ordinance”), having been previously introduced at a meeting of the Board of Aldermen (the “Governing Authority”) held on May 4, 2009, was offered for final adoption by Alderwoman Morrison and seconded by Alderman Aswell.

**ORDINANCE NO. 103**

**An ordinance authorizing the issuance of not to exceed Five Hundred Fifty Thousand and No/100 Dollars (\$550,000) Utility Revenue Bonds, Series 2009, of the Village of Choudrant, State of Louisiana; prescribing the form, terms and conditions of said Bonds; designating the date, denomination and place of payment of said Bonds; providing for the payment thereof in principal and interest; providing for the sale of said Bonds; entering into certain other covenants and agreements in connection with the security and payment of said Bonds; and providing for other matters in connection therewith.**

**WHEREAS**, the Village of Choudrant, Parish of Lincoln, State of Louisiana (the “Issuer”), now owns and operates a wastewater collection and treatment public utility system (the “Sewer System”), and a drinking water treatment and distribution system (the “Water System”, and together with the Sewer System, the “Utility System”); and

**WHEREAS**, the Issuer desires to construct and acquire improvements, extensions, improvements, extensions and replacements to the Sewer System, a work of public improvement for the Issuer, and to finance a portion of the cost thereof through the sale and issuance of not to exceed \$550,000 Utility Revenue Bonds of the Issuer (the “Bonds”) payable as to principal and interest derived from the net revenues of the Utility System after payment of the reasonable and necessary costs of operation and maintenance of the Utility System; and

**WHEREAS**, the Issuer proposes that the Bonds be issued in the manner prescribed by and under the authority of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (LSA-R.S.39:1011, *et seq.*) (the “Act”), and other constitutional and statutory authority; and

**WHEREAS**, pursuant to the provisions of the Act, this Mayor and Board of Aldermen, acting as the governing authority (the "Governing Authority") of the Issuer, adopted a resolution on February 19, 2009, giving notice of its intention to issue the Bonds, and (following publication as required by law) on April 14, 2009, this Governing Authority met in open and public session (the “Public Hearing”) to hear any objections to the proposed issuance of the Bonds, all in accordance with the Act, at which Public Hearing no one offered any objections to the issuance of such Bonds without an election being held thereon and no petitions requesting such an election were filed with the Issuer or presented to this Governing Authority; and

**WHEREAS**, it is now the desire of this Governing Authority to issue not to exceed Five Hundred Fifty Thousand and no/100 Dollars (\$550,000) Utility Revenue Bonds, Series 2009 as authorized by said Public Hearing, the Act and other statutory and constitutional authority; and

**WHEREAS**, it is the further desire of this Governing Authority to provide for the sale of the Bonds to Community Trust Bank (hereinafter, the “Bank” or “Purchaser”), pursuant to the terms of a letter of commitment issued by the Bank on February 13, 2009, as supplemented by its rate commitment dated April 20, 2009 at the price and in the manner provided for herein.

**NOW, THEREFORE, BE IT ORDAINED**, and agreed by the Governing Authority, on behalf of the Issuer as follows:

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

“**Act**” shall mean Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (LSA-R.S.39:1011, *et seq.*).

“**Bank**” shall mean Community Trust Bank, a banking institution chartered under the laws of Louisiana, and purchasing the Bonds issued hereto.

“**Bond**” or “**Bonds**” shall collectively mean any or all of the Utility Revenue Bonds, Series 2009, issued in the aggregate principal amount of not to exceed \$550,000 pursuant to this Bond Ordinance, as the same may be amended from time to time.

“**Bond Ordinance**” shall mean this Ordinance, as further amended and supplemented as herein provided.

“**Bond Register**” shall mean the records of the Issuer in which registration of the Bonds and transfers of the Bonds shall be made as provided herein.

“**Bond Year**” shall mean the one year period (except the initial year of the Bonds) ending on the principal payment date of the Bonds (March 1) of each year.

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

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

“**Contingency Fund**” shall mean the Waterworks Depreciation and Contingency Fund created pursuant to the Prior Bond Resolution but expanded herein to be applicable to the Sewer System and the Bonds as well as the Prior Bonds.

“**Executive Officers**” shall mean collectively the Mayor and the Clerk of the Issuer.

“**Fiscal Year**” shall mean the twelve-month accounting period commencing on the first day of July or any other twelve-month accounting period designated by the Governing Authority as the fiscal year of the Issuer.

“**Governing Authority**” shall mean the Mayor and Board of Aldermen of the Issuer.

“**Government Securities**” shall mean 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 Treasury Obligations such as the State and Local Government Series and may be in book entry form.

“**Issuer**” shall mean the Village of Choudrant, Parish of Lincoln, State of Louisiana.

“**Net Revenues**” -shall mean the income and revenues, including earnings on investments in the Prior Bond Funds to be derived from the operation of the Utility System, after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining the System.

“**Owner**” or “**Owners**” shall mean the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Issuer for the Bonds.

“**Parity Bonds**” shall mean any *pari passu* additional obligations hereafter issued by the Issuer on a parity with the Prior Bonds and the Bonds with respect of the Net Revenues, all as provided with respect to the issuance thereof, in Section 12 of this Bond Ordinance

“**Payment Record**” shall mean the recordation of principal and interest payments made a part of the Bond.

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

**“Prior Bond Resolution”** shall mean the resolution adopted by the Governing Authority January 20, 1997, authorizing the issuance of \$305,000 Water Revenue Bonds, Series 1997 and creating the Prior Bond Funds.

**“Prior Bonds”** shall mean those bonds issued by the Issuer to Bank in the original principal amount of \$305,000 bearing interest at 6% per annum and issued on March 1, 1997.

**“Prior Bond Funds”** shall mean the Sinking Fund, Reserve Fund and Contingency Fund.

**“Project”** shall mean the cost of constructing and acquiring improvements, extensions and replacements to the System, including appurtenant equipment, accessories and properties, both personal and real, and the cost of the necessary legal, engineering and other incidental costs and fees in connection therewith, and in connection with the authorization and issuance of the Bonds.

**“Purchaser”** means the Bank as the original purchaser of the Bonds.

**“Reserve Fund”** shall mean the Water Revenue Bond Reserve Fund created pursuant to the Prior Bond Resolution but expanded herein to be applicable to the Bonds as well as the Prior Bonds.

**“Reserve Fund Requirement”** shall mean as of any date, the lesser of (i) 10% of the proceeds of the Prior Bonds plus 10% of the proceeds of the Bonds plus 10% of the proceeds of any Parity Bonds, or (ii) the maximum scheduled principal and interest requirements in any succeeding Bond Year (ending March 1) of the Prior Bonds, the Bonds, and any Parity Bonds.

**“Sinking Fund”** shall mean the Water Revenue Bond Sinking fund created pursuant to the Prior Bond Resolution but amended and expanded herein to be applicable to the Bonds as well as the Prior Bonds.

**“State”** shall mean the State of Louisiana.

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

In this Bond 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 Bond Ordinance shall be deemed to include any other title by which such office shall be known under any subsequently adopted charter.

**SECTION 2. Authorization of Bonds; Maturities; Principal , Interest and Term.** Subject to the approval of the State Bond Commission (“SBC”) and, there having been no petition of objection filed at the Public Hearing, in compliance with and under the authority of the Act, and other constitutional and statutory authority, there is hereby authorized the incurring of an indebtedness of Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000) for, on behalf of and in the name of the Issuer, for the purpose of constructing and acquiring improvements, extensions and replacements to the Sewer System, including appurtenant equipment, accessories and properties, both personal and real, and to represent the said indebtedness, this Governing Authority does hereby authorize the issuance of Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000) Utility Revenue Bonds, Series 2009, of the Issuer.

The Bonds shall be issued in the form of a fully registered bond of the Issuer, which shall be dated as of the date of delivery thereof in the denomination and principal amount of not exceeding

Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000), numbered R-1. The unpaid principal of the Bonds shall bear interest at a rate of three and sixty-five hundredth per centum (3.65%) per annum from date thereof until paid. The principal of and interest on the Bonds shall be payable over a twenty (20) year period, with interest payable semi-annually on the 1<sup>st</sup> day of September and March commencing September 1, 2009, and principal payable annually with the 1<sup>st</sup> payment commencing March 1, 2010 thereof until paid in full. Payments shall be payable to the Bank and each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

**SECTION 3. Redemption Provisions.** The Bonds may be callable for redemption at any time at the option of the Issuer in full or in part at a price equal to the principal amount plus accrued interest.

**SECTION 4. Sale of Bonds to Bank.** The sale of the Bonds to Bank is hereby authorized, confirmed, ratified and approved. Exercising the power granted to the Issuer under the provisions of the Act, the Bonds shall be initially physically delivered to Bank; provided, however, that upon delivery thereof the Bank may elect to deliver the entire principal amount of the Bonds in full at the time of delivery or elect to make advances against the full purchase price, in which event appropriate recordation shall be made on the Bonds with respect to the advance payments made. Interest on the Bonds will be paid only with respect to the amount of money actually advanced by the Bank until such time as the full purchase price of the Bonds shall have been paid, after which interest will be paid on the full amount of the unpaid principal of the Bonds then outstanding. Upon payment of the purchase price of the Bonds, the Issuer shall furnish to the Bank its Treasurer's Receipt and Non-Litigation Certificate, together with the approving opinion of Bond Counsel for the Issuer. The Issuer shall certify no litigation has been filed questioning the validity of the Bonds or the revenues necessary to pay the same.

**SECTION 5. Payments.** Payments of principal and interest on the Bonds shall be made by check or draft mailed to the Owners at the address shown on the Bond Register Book of the Issuer, or by electronic debit acceptable to such Owner, without (except for final payment) presentation and surrender of the Bonds, and all such payments shall fully discharge the obligations of the Issuer in respect of the Bonds to the extent of the payments so made. Said payments shall be noted on the Bond Register.

**SECTION 6. Registration and Transfer of the Bonds.** The Bonds shall be fully registered as to principal and interest by the Clerk of the Issuer, and no transfer or assignment shall be valid unless made on the Bond Register and similarly noted on the back of the Bonds. Upon such transfer or assignment, the transferor or assignor shall surrender such Bonds for transfer on said registration records and verification of the endorsements made on the Bonds. The Bonds shall initially be registered to the Bank, with any transfer or assignment occurring only upon written instructions of the Bank and in compliance with any and all applicable laws dealing with transfers of municipal bonds.

No Bond shall be entitled to any right or benefit under this Bond Ordinance, or be valid or obligatory for any purpose unless there appears on such Bond a certified or registered substantiation in the form of this Bond Ordinance.

**SECTION 7. Form of the Bonds.** The Bonds and the endorsements thereon shall be in substantially the form of Exhibit "A" attached hereto.

**SECTION 8. Execution of Bonds.** The Bonds shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, which signatures and corporate seal may be either manual or facsimile.

**SECTION 9. Pledge of Net Revenues.** The Bonds shall be secured by and payable in principal and interest solely from the Net Revenues derived by the Issuer from the operation of its System. The Net Revenues are irrevocably and irrevocably pledged in an amount sufficient for the payment of the Bonds in principal and interest as such amounts respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. Said Net Revenues shall be set aside in a separately identifiable fund or account as hereinafter provided and shall be and remain so pledged for the security and payment of the Bonds, the Prior Bonds and any Parity Bonds in principal and interest, and for all other payments provided in this Bond Ordinance, until the Bonds shall be fully paid and discharged.

**SECTION 10. Rate Covenant.** The Issuer, through its Governing Authority, by proper ordinances and/or resolutions, 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 each year sufficient to pay the reasonable and necessary expenses of operating and maintaining the System in each year, the principal and interest falling due on the Bonds in each year, all reserves or sinking funds or other payments required for such year by this Bond Ordinance, and all obligations or indebtedness payable out of the Net Revenues during such year, and Net Revenues in each year, at least equal to 120% of the largest amount of principal and interest falling due on the Bonds and any Parity Bonds in any future year. The Issuer hereby further covenants that all of said 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 to be established and maintained with the regularly designated fiscal agent of the Issuer and designated as the "Utility 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 Sinking Fund established and maintained pursuant to the Prior Bond Resolution is hereby amended to be designated as the "Bond Sinking Fund" sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, the Prior Bonds and any Parity Bonds as they severally become due and payable, by transferring from the Revenue Fund to the fiscal agent of the Issuer, or such other bank designated by the Issuer, monthly in advance on or before the 20th day of each month of each year, a sum equal to one-sixth (1/6) of the interest falling due on the next Interest Payment Date and one-twelfth (1/12th) of the principal falling due on the next principal payment date of the Bonds, the Prior Bonds and any Parity Bonds, together with such additional proportionate sum as may be required to pay said principal and interest as the same become due. If Parity Bonds are hereafter issued by the Issuer in the manner provided in this Bond Ordinance, moneys in the Sinking Fund shall be equally available to pay principal and interest on such Parity Bonds, and payments in the Sinking Fund shall be increased as provided in the ordinance authorizing the issuance of the Parity Bonds. The Issuer shall transfer from said Sinking Fund to the Owner on each Payment Date, funds fully sufficient to pay promptly the principal and interest so falling due on such date.

(c) The Reserve Fund established and maintained pursuant to the Prior Bond Resolution is hereby amended to be designated the "Utility Bond Reserve Fund" (the "Reserve Fund"), by transferring from the Revenue Fund to the regularly designated fiscal agent bank of the Issuer (or such other bank designated by the Issuer, monthly in advance on or before the 20th day of each month, a sum at least equal to ten percent (10%) of the monthly amount to be paid into the Sinking Fund, the payments into the Reserve Fund to continue until such time as there has been accumulated therein a sum equal to the Reserve Fund Requirement. The monies in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the Bonds, the Prior Bonds and any Parity Bonds as to which there would otherwise be default. In the event that Bonds are issued hereafter in the manner provided by this Bond Ordinance, the payments into the Reserve Fund shall continue, or if the said payments have ceased because of the accumulation of the maximum amount provided above, then such payments shall be resumed, until such time as there has been accumulated in the Reserve Fund an amount of money equal to the Reserve Fund Requirement.

(d) The Contingency Fund established and maintained pursuant to the Prior Bond Resolution is hereby amended to be designated the "Utility Depreciation and Contingency Fund" (the "Contingency Fund") to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring from the Revenue Fund to the Contingency Fund monthly in advance on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Revenues for the preceding month provided that such sum is available after provision is made for the payments required under paragraphs (a), (b), and (c) above. Such payments into the Contingency Fund shall continue until there has been accumulated in such fund the sum of Fifteen Thousand Dollars (\$15,000). In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on the Bonds, the Prior Bonds, and any Parity Bonds, for the payment of which there is not sufficient money in the Sinking Fund and the Reserve Fund but the money in the Contingency Funds shall never be used for the making of

improvements and extensions to the System or for payment of principal or interest on the bonds, the Prior Bonds or any Parity Bonds if use of said money will leave in said fund for the making of emergency repairs or replacements, less than the sum of Two Thousand Five Hundred Dollars (\$2,500.00).

Any money 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 Net Revenues, or for such other lawful corporate purposes as this Governing Authority may determine, whether such purposes are or are not in relation to the System.

If at any time it shall be necessary to use moneys in the Reserve Fund or the Contingency Fund above provided 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 of the System or for current principal, interest and reserve requirements. If at any time there are sufficient moneys on deposit in the Reserve Fund and the Contingency Fund to retire all outstanding bonds payable from the Sinking Fund by defeasance, by exercising the redemption option provided by such Bonds or by purchase on the open market, the Issuer may utilize such funds for such purpose.

All or any part of the moneys in the foregoing funds and accounts shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, except that moneys in the Reserve Fund 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.

(e) Except as otherwise provided, nothing in this Bond 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 ordinance or resolution 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 10 of this Bond Ordinance. It is understood and agreed, however, that the Issuer 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, public or private, or even the Issuer itself, 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.

(f) The Issuer further agrees that the failure of any Person to pay for any service rendered by the System 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 Issuer will shut off System services to the affected premises; and that the Issuer, this Governing Authority and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for services rendered by the System. All delinquent charges for such services shall on the date of delinquency have added thereto a penalty in such amount determined by the Governing Authority and the amount so due, including the penalty charges, shall, after ten (10) days from the date of delinquency, bear interest at the rate of at least six per cent (6%) per annum. If service shall be discontinued as above provided, the customer shall, in addition to paying the delinquent charges and penalties, if any, pay as a condition precedent to the resumption of service, a reasonable re-connection charge.

(g) It is further understood and agreed that the schedule of rates, fees, rents and other charges being charged as of the date of this Bond Ordinance for services and facilities rendered by the System shall remain in effect and neither said schedule nor any subsequent schedule shall be reduced at any time unless all payments required for all funds by the 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 this Section and Section 9 of this Bond Ordinance.

**SECTION 11. Default.** The Issuer covenants and agrees that in the event it should fail to derive sufficient income from the operation of its System to make the required monthly payments into the funds established by Section 10 hereby, it will retain a Consulting Engineer on a continuous basis until all defaults are cured, for the purpose of providing for the Issuer continuous engineering counsel in the operation of its System. Such Consulting Engineer shall be retained under contract at such reasonable compensation as may be fixed by the Governing Authority, and the payment of such compensation shall be considered to be one of the costs of maintaining and operating the System. Any Consulting Engineer appointed under the provisions of this Section may be replaced at any time by another Consulting Engineer appointed or retained by the Governing Authority, with the consent and approval of the Owners 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 operation 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 accounts, the adherence to budget and budgetary control provisions, the adherence to the provisions of the 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 Clerk of the Issuer and sent to the Government and shall be open to inspection by the Owner 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 Contingency 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 Contingency Fund.

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. A copy of said suggested budget and recommendations shall also be furnished by said Consulting Engineer directly to the Owners of the Bonds. Such recommendations as to rates and charges, consistent with the requirements relating thereto contained herein, shall be followed by the Issuer insofar as practicable and all other recommendations shall be given careful consideration by the Issuer 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 Owners of the Bonds.

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 required by Section 10 of this Bond Ordinance.

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, the Governing Authority shall select

and retain such Consulting Engineer as is named in said petition.

**SECTION 12. Parity Bonds.** The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Net Revenues derived from the System having priority over or parity with the Bonds and the Prior Bonds except that additional bonds may hereafter be issued on a parity lien basis with the Bonds (the “Parity Bonds”) under the following conditions:

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

(2) Parity Bonds may be issued on and enjoy a full and complete parity with the Bonds and the Prior Bonds, if all of the following conditions are met:

- (a) The average annual Net Revenues for the two (2) completed Fiscal Years immediately preceding the issuance of the Parity Bonds must have been not less than 1.20 times the highest combined principal and interest requirements for any succeeding Bond Year on all bonds then outstanding, including any Parity Bonds theretofore issued and then outstanding and any other bonds or obligations whatsoever then outstanding which are payable from the income and revenues of the System (but not including bonds which have been refunded or provisions otherwise made for their full and complete payment and redemption), and the 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 services of the System on or before the date of issuance of the 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) The payments required to be made into the various funds provided in Section 10 hereof must be current.
- (c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to by an independent certified public accountant or the Legislative Auditor.
- (d) The Parity Bonds must be payable as to principal on March 1<sup>st</sup> of each year in which the principal falls due and payable as to interest on March 1<sup>st</sup> and September 1<sup>st</sup> 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 to refund the Bonds or and Parity Bonds.

**SECTION 13. Records and Accounts; Audit.** As long as any of the Bonds are outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books and accounts of the System separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions concerning the System. Not later than three (3) months after the close of each Fiscal Year, the Issuer shall cause an audit of its books and accounts to be made by the Legislative Auditor or an independent firm of certified public accountants showing the receipts and disbursements made by the Issuer during the previous Fiscal Year. Such audit shall be available for inspection by the Owner of any of the Bonds, and a copy of such audit shall be furnished to the Purchaser upon request

**SECTION 14. Rights of Owners.** The Owners shall be entitled to exercise all rights for which provision is made in the laws of the State of Louisiana, particularly Sub-Part C, Part I, Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950. Said 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 in this ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof, including the fixing, charging and collecting of rentals, fees or other charges for use of the System, and in general to take any action necessary to protect the rights of said Owners.

In the event that default shall be made in the payment of the interest on or principal of any of the Bonds issued pursuant to this Bond Ordinance as the same shall become due, or in the making of the payments into any fund established by Section 10 of this Bond 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 Bond Ordinance, or shall default in any covenant for a period of thirty (30) days after written notice thereof, any owner of Bonds or any trustee appointed to represent owners as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the System, as defined herein, in an appropriate judicial proceeding in a court of competent jurisdiction.

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

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

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

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

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 15. Application of Proceeds.** The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Bond Ordinance, to cause the necessary Bonds to be printed, issued and executed, and to effect delivery thereof as hereinafter provided. The proceeds derived from the sale of the Bonds, except accrued interest, shall be used only for the purposes for which the Bonds are issued.

**SECTION 16. Bank Agreements.** The Executive Officers are hereby authorized , empowered and directed to comply with such conditions and requirements of the Bank and to execute any certificates, agreements, and other documentation as may be reasonably required by Bank, as such officers shall determine in their sole discretion.

**SECTION 17. Ordinance a Contract.** The provisions of this Bond Ordinance shall constitute a contract between the Issuer, or its successor, and the Owner or Owners from time to time of the Bonds, and any such Owner or Owners may at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel the performance of all duties required to be performed by the Governing Authority or the Issuer as a result of issuing the Bonds.

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

**SECTION 18. Severability; Application of Subsequently Enacted Laws.** In case any one or more of the provisions of this Bond Ordinance or of the Bonds is deemed by a court of competent jurisdiction to be illegal or invalid, this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provisions enacted after the date of this Bond Ordinance which validate or make legal any provision of this Bond Ordinance and/or the Bonds which would not otherwise be valid or legal, shall be deemed to apply to this Bond Ordinance and to the Bonds.

**SECTION 19. Recital of Regularity.** This Governing Authority having investigated the regularity of the proceedings had in connection with the Bonds and having determined the same to be regular, the Bonds shall contain the following recital, to-wit:

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

**SECTION 20. Effect of Registration.** The Issuer and any agent may treat the Owner in whose name any Bond is registered as the Owner of such Bond for the purpose of receiving payment of the principal (and redemption price) of and interest on such Bond and for all other purposes whatsoever, and to the extent permitted by law, the Issuer shall not be affected by notice to the contrary.

**SECTION 21. Notices to Owners.** Wherever this Bond Ordinance provides for notice to Owners of Bonds of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) in writing and mailed, first class postage prepaid, to each Owner of such Bonds, at the address of such Owner as it appears in the Bond Register in any case where notice to Owners of Bonds is given by mail, neither the failure to mail such notice to any particular Owner of Bonds, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Bond Ordinance provides for notice in any manner, such notice may be waived in writing by the Owner or Owners entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the Issuer, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**SECTION 22. Cancellation of Bonds.** All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Issuer, shall be promptly canceled by it and if surrendered to the Issuer, shall be delivered to the Issuer and, if not already canceled, shall be promptly canceled by the Issuer. The Issuer may at any time cancel any Bonds previously registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be disposed of as directed in writing by the Issuer.

**SECTION 23. Mutilated, Destroyed Lost or Stolen Bonds.** If (1) any mutilated Bond is surrendered to the Issuer or the Issuer received evidence to its satisfaction of the destruction, loss or theft of any Bond, and (2) there is delivered to the Issuer such security or indemnity as may be

required by it to save it harmless, then, in the absence of notice to the Issuer that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same maturity and of like tenor, interest rate and principal amount, bearing a number not contemporaneously outstanding. In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Certificate. Upon the issuance of any new Certificate under this Section, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost or stolen certificate shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost or stolen Bond shall be at any time enforceable by anyone and shall be entitled to all the benefits of this Bond Ordinance equally and ratably with all other outstanding Bonds. Any additional procedures authorized in this Bond Ordinance shall also be available with respect to mutilated, destroyed, lost or stolen Bonds.

**SECTION 24. Discharge of Ordinance; Defeasance.** If the Issuer shall pay or cause to be paid, or there shall pay or cause to be paid, or there shall otherwise be paid to the Owner, the principal of and interest on the Bonds, at the times and in the manner stipulated in this Bond Ordinance, the pledge of Net Revenues under this Bond Ordinance and all covenants, agreements, and other obligations of the Issuer to the Owner shall thereupon cease, terminate, and become void, be discharged and satisfied.

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 if they are defeased in the manner provided by Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

**SECTION 25. 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 Section 240.15c2-12(b)), because the principal amount of the Bonds is less than \$1,000,000.

**SECTION 26. Arbitrage.** The Issuer covenants and agrees that to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code of in order to establish, maintain and preserve the exclusion from “gross income” of interest on the Bonds under the Code. The Issuer further covenants and agrees that it will not take any action or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Bonds any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Bonds to be “arbitrage bonds” or would result in the inclusion of the interest on 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 or arbitrage earnings to the United States of America, or (iii) the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds”.

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section 26.

**SECTION 27. Qualified Tax Exempt Obligations.** The Bonds are designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, in making this designation, the Issuer finds and determines that:

- (a) the Bonds are not “private activity bonds” within the meaning of the Code; and
- (b) the reasonably anticipated amount of qualified tax-exempt obligations which will be issued by the Issuer and all subordinated entities in calendar year 2009 does not exceed \$10,000,000.

**SECTION 28. Publication; Recordation.** A copy of this Ordinance shall be published immediately after its adoption in one issue of the official journal of the Village. A certified copy of the Bond Ordinance shall be filed and recorded in the Mortgage Records of the Parish of Lincoln, State of Louisiana.

**SECTION 29. Headings.** The headings of the various sections hereof are inserted for convenience of reference only and shall not control or affect the meaning of the provisions hereof.

**SECTION 30. Effective Date.** This Bond Ordinance shall become effective immediately.

**SECTION 31. State Bond Commission Approval.** Application has been made to the SBC for approval of the sale, issuance and delivery of the Bonds. No sale shall occur until final SBC approval has been obtained.

**SECTION 32. SBC Swap Approval.** By virtue of applicant/issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancements(s) covered thereby.

**SECTION 33. Sewer Rate Increase.** It is anticipated that the actual amount of the Bonds issued shall be substantially less than \$550,000. In the event \$550,000 in Bonds are issued, a \$1.00 rate increase for the first 10,000 gallons of waste water treatment shall be necessary. This Governing Authority does hereby adopt such \$1.00 rate increase contingent upon (i) the full issuance of the \$550,000 in principal amount of Bonds and (ii) a written determination by the Consulting Engineer of the exact amount of such \$1.00 increase as is necessary to provide sufficient debt service coverage for all outstanding Bonds and Prior Bonds as is required by this Bond Ordinance and the Prior Resolution. This rate increase, if any, shall be effective on the date of issuance of the Bonds in the manner set forth in this Section 33.

The final adoption of the foregoing ordinance having been duly moved and seconded, submitted to a vote, and the following vote was taken and recorded as follows:

**YEAS: Aswell, Morrison**

**NAYS: None**

**ABSENT: O'Neal**

**AND THE ORDINANCE WAS ADOPTED ON THIS 6<sup>th</sup> day of July, 2009 in Choudrant, Louisiana.**

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**Celeste H. Butler, Clerk**

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**Bill Sanderson, Mayor**

**STATE OF LOUISIANA**

**PARISH OF LINCOLN**

I, the undersigned Clerk of the Village of Choudrant, Parish of Lincoln, State of Louisiana (the "Issuer"), do hereby certify that the foregoing sixteen (16) pages constitute a true and correct copy of the proceedings taken by said Issuer on July 6, 2009, wherein the Mayor and Board of Aldermen, acting as the governing authority of the Issuer, set forth the terms of the issuance, in the name of Issuer, of Utility Revenue Bonds, Series 2009, in an amount not exceeding Five Hundred Fifty Thousand and No/100 Dollars (\$550,000); generally describing said Bonds and the security therefore; authorizing delivery of the Bonds to Community Trust Bank.

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Village of Choudrant, State of Louisiana, on this, the 6<sup>th</sup> day of July, 2009.

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**Celeste H. Butler, Clerk**

(FORM OF BOND)

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF LINCOLN

VILLAGE OF CHOUDRANT, STATE OF LOUISIANA  
UTILITY REVENUE BONDS  
SERIES 2009

Bond Date:  
\_\_\_\_\_, 2009

Maturity Date:  
\_\_\_\_\_

Interest Rate:  
3.65%

The Village of Choudrant, Parish of Lincoln, State of Louisiana (the "Issuer"), promises to pay, but solely from the source and as hereinafter provided, to:

**Community Trust Bank**

("Bank") or registered assigns, on the Maturity Date set forth above, the Principal Amount (as set forth above), together with interest thereon from the Bond Date (as set forth above) or the most recent Payment Date (as defined below), at the Interest Rate per annum (as set forth above) until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been made or duly provided for. Capitalized terms not otherwise defined herein shall have the meaning set forth in the bond ordinance adopted by the Mayor and the Board of Aldermen of the Issuer acting as the governing authority (the "Governing Authority") of the Issuer on July 6, 2009 (the "Bond Ordinance").

The Issuer shall make the payments of principal and interest in the amounts set forth on (Schedule 1) attached hereto and incorporated herein by reference and on the dates set forth therein (the "Payment Date"). The entire remaining principal balance and unpaid interest of this Bond, upon maturity or earlier redemption, is payable in lawful money of the United States of America at the principal office of the Issuer, in Choudrant, Louisiana, upon presentation and surrender hereof. The payments of principal and/or interest on this Bond are payable by check mailed by the Issuer to the registered Owner (determined as of the close of business on the 15<sup>th</sup> calendar day of the month next preceding each Payment Date) at the address as shown on the registration books of the Issuer and shall be noted on the appropriate payment record made a part of this bond as provided by ordinance authorizing its issuance.

This Bond is one of an authorized issue aggregating in principal the sum of not to exceed Five Hundred Fifty Thousand Dollars (\$550,000) designated "Utility Revenue Bonds, Series 2009 of the Village of Choudrant, State of Louisiana" (the "Bonds"). Said Bond is issued under and by the virtue of the authority conferred by Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (LSA-R.S.39:1011, *et seq.*), and other constitutional and statutory authority, pursuant to all requirements therein specified, and was specially authorized by the Bond Ordinance adopted July 6, 2009, for the purpose of financing the constructing and acquiring improvements, extensions and replacements to the wastewater collection and treatment system of the Issuer and paying the costs of issuance of the Bonds.

The Bonds may be called for redemption in whole or in part prior to their maturity without penalty.

The Issuer shall cause to be kept a register (the "Bond Register") in which registration of the Bonds and of transfers of the Bonds shall be made as provided in the Bond Ordinance. This Bond may be transferred, registered and assigned only on the Bond Register, and such registration shall be at the expense of the Issuer. This Bond may be assigned by the execution of the assignment form hereon or by other instrument of transfer and assignment acceptable to the Issuer. A new Bond or Bonds will be delivered by the Issuer to the last assignee (the new "Owner") in exchange for this transferred and assigned Bond after receipt of this Bond to be transferred in proper form. The Issuer shall not be required to issue, register, transfer or exchange any Bond during a period beginning at the opening of business on the 15<sup>th</sup> calendar day of the month next preceding any Payment Date.

The Bonds are secured by and payable in principal, interest and redemption premium, if any,

from the Net Revenues derived by the Issuer from the operation of its Utility System consisting of the combined revenue-producing Water System and Sewer System (the "System") after paying the reasonable and necessary costs and expenses of operating the System. The Bonds shall not be a charge on the other income and revenues of the Issuer as prohibited under the provisions of Article VI, Section 37 of the Louisiana Constitution of 1974, nor shall they constitute an indebtedness or pledge of the general credit of the Issuer. The Issuer has covenanted and agreed and does hereby covenant and agree to fix, establish and maintain such rates and collect such fees, rents, and other charges for services and facilities furnished by the System as shall be sufficient to pay the reasonable and necessary expenses of operation and maintenance of the System to provide for the payment of principal and the interest on this Bond and the issue of which it forms a part as the same respectively become due, and to charge and collect such rates on the customers of the System sufficient to pay the principal of and the interest on the Bonds after the payment the reasonable and necessary costs and expenses of operating and maintaining the System. The Issuer, in the Bond Ordinance has also entered into certain other covenants and agreements with the Owners, the terms of which reference is made to the Bond Ordinance.

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE, THE PARISH OF LINCOLN, OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE, THE ISSUER OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR THE INTEREST, ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE ISSUER SECURED BY AND PAYABLE IN PRINCIPAL AND INTEREST FROM THE NET REVENUES DERIVED BY THE ISSUER FROM THE OPERATION OF THE SYSTEM AFTER PAYING THE REASONABLE AND NECESSARY COSTS AND EXPENSES OF OPERATING AND MAINTAINING THE SYSTEM.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Ordinance until the certificate of authentication hereon shall have been signed by the Issuer.

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

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

**IN WITNESS WHEREOF**, the Mayor and the Board of Aldermen of the Issuer of Choudrant, Parish of Lincoln, State of Louisiana acting as the Governing Authority of the Issuer, have caused this Bond to be executed by its Mayor and attested by its Clerk, and the corporate seal of the Issuer to be hereon impressed.

**VILLAGE OF CHOUDRANT  
PARISH OF LINCOLN  
STATE OF LOUISIANA**

By: \_\_\_\_\_  
**Bill Sanderson, Mayor**

**ATTEST:**

\_\_\_\_\_  
**Celeste H. Butler, Clerk**

**[SEAL]**

**CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the above mentioned Bond Ordinance.

**Date:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Bill Sanderson, Mayor**

\*\*\*\*\*



**(FORM OF ASSIGNMENT)**

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

\_\_\_\_\_  
**Registered Owner**

**Please Insert Social Security  
Or other Identifying Number of Assignee**

The within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_  
as Attorney or agent to transfer the within Bond on the books kept for registration thereof,  
with full power or substitution in the premises.

**Dated:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of transferring party or agent**

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

**(PROVISIONS FOR REGISTRATION)**

This Bond R-1 has been registered as to principal and interest in the name of the registered owner hereof on the books of the Village of Choudrant, Parish of Lincoln, State of Louisiana, as Registrar, as follows:

<b>Date of Registration</b>	<b>Name and Address of Registered Owner</b>	<b>Signature of Clerk</b>
_____, 2009	<b>Community Trust Bank 1511 North Trenton Street Ruston, LA 71270</b>	_____ <b>Celeste H. Butler, Clerk</b>

**(CERTIFICATE OF DELIVERY)**

I, the undersigned Clerk of the Village of Choudrant, Parish of Lincoln, State of Louisiana, do hereby certify that this Bond R-1 was delivered to the purchaser therefor and payment duly received therefor on the dates and in the amounts hereinafter shown:

<b>Date</b>	<b>Amount of Principal</b>	<b>Purchaser</b>	<b>Signature of Clerk</b>
_____, 2009	\$550,000	Community Trust Bank	_____ <b>Celeste H. Butler, Clerk</b>

**SCHEDULE I**  
**ESTIMATED PRINCIPAL AND INTEREST REPAYMENT SCHEDULE**

Interest to be paid semi-annually on March 1 and September 1 of each year until paid, commencing September 1, 2009. Principal to be paid annually on March 1 of each year commencing March 1, 2010 with the final payment of principal and all accrued interest due March 1, 2029.

<b>Year</b>	<b>March 1 Semi-Annual Payment</b>	<b>September 1 Interest Payment</b>	<b>Annual Debt Service</b>	<b>Principal Amount</b>	<b>Balance</b>
2009		\$3,410.00			
2010	\$35,362.21	\$9,573.82	\$38,772.21	\$25,407.21	\$524,592.79
2011	\$29,198.39	\$9,240.92	\$38,772.21	\$19,624.57	\$504,968.22
2012	\$29,531.29	\$8,845.37	\$38,772.21	\$20,290.37	\$484,677.84
2013	\$29,926.84	\$8,460.63	\$38,772.21	\$21,081.47	\$463,596.37
2014	\$30,311.58	\$8,061.85	\$38,772.21	\$21,850.94	\$441,745.43
2015	\$30,710.36	\$7,669.47	\$38,772.21	\$22,648.50	\$419,096.93
2016	\$31,102.74	\$7,220.86	\$38,772.21	\$23,433.26	\$395,663.67
2017	\$31,551.35	\$6,776.83	\$38,772.21	\$24,330.49	\$371,333.18
2018	\$31,995.38	\$6,316.59	\$38,772.21	\$25,218.55	\$346,114.63
2019	\$32,455.62	\$5,855.55	\$38,772.21	\$26,139.03	\$319,975.61
2020	\$32,916.66	\$5,345.69	\$38,772.21	\$27,061.10	\$292,914.50
2021	\$33,426.52	\$4,833.21	\$38,772.21	\$28,080.83	\$264,833.67
2022	\$33,939.00	\$4,302.03	\$38,772.21	\$29,105.78	\$235,727.89
2023	\$34,470.18	\$3,761.74	\$38,772.21	\$30,168.14	\$205,559.75
2024	\$35,010.47	\$3,181.18	\$38,772.21	\$31,248.72	\$174,311.03
2025	\$35,591.03	\$2,589.70	\$38,772.21	\$32,409.86	\$141,901.17
2026	\$36,182.51	\$1,976.63	\$38,772.21	\$33,592.82	\$108,308.35
2027	\$36,795.58	\$1,344.86	\$38,772.21	\$34,818.96	\$73,489.40
2028	\$37,427.35	\$682.68	\$38,772.21	\$36,082.50	\$37,406.90
2029	\$38,089.61		\$38,089.61	\$37,406.90	\$0.00