

# CATAHOULA LEGALS

-penses as the Registrar may incur. All Bonds so surrendered shall be delivered to the Registrar for cancellation pursuant to Section 3.4 hereof. If any Bond shall have matured or be, about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bond issued pursuant to this Section shall constitute an optional, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond be at any time found by anyone. Such duplicate Bond shall be in all respects identical with those replaced except that it shall bear on its face the following additional clause:

“This bond is issued to replace a lost, canceled or destroyed bond under the authority of R.S. 39:971 through 39:974.”

Such duplicate Bond may be signed by the facsimile signatures of the same Executive Officer who signed the original Bonds, provided, however, that in the event the officers who executed the original Bonds is no longer in office, then the new Bonds may be signed by the officer then in office. Such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source and security for payment as provided herein with respect to all other Bonds hereunder, the obligations of the Issuer upon the duplicate Bonds being identical to its obligations upon the original Bonds and the rights of the Owner of the duplicate Bonds being the same as those conferred by the original Bonds.

**SECTION 3.3. Preparation of Definitive Bonds. Temporary Bonds.** Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 3.5, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to the denominations, one or more temporary typewritten Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds.

**SECTION 3.4. Cancellation of Bonds.** All Bonds paid or redeemed either at or before maturity together with all Bonds purchased by the Issuer, shall thereupon be promptly canceled by the Registrar.

**SECTION 3.5. Execution.** The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the Executive Officer, and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case the officer who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Said officer shall, by the execution of the Bonds, adopt as and for his own proper signature their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

**SECTION 3.6. Registration by Registrar.** No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Order unless and until a certificate of registration on such Bond substantially in the form set forth in **Exhibit “A”** hereto shall have been duly executed on behalf of the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under this Order.

**SECTION 3.7. Regularity of Proceeding.** The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to wit:

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

## ARTICLE IV

### CREATION OF FUNDS / APPLICATION OF BOND PROCEEDS

**SECTION 4.1. Creation of Funds or Accounts.** Prior to the Issuance Date, the Issuer shall create the following Funds or Accounts:

(a) The Series 2021 Bond Proceeds Fund (the “**Proceeds Fund**”) to be held by the Paying Agent;

(b) The Costs of Issuance Account to be established as a separate account within the Proceeds Fund for the purpose of paying the Costs of Issuance with respect to the Bonds; and

(c) The Series 2021 Equipment Fund (The “**Equipment Fund**”) to be held by the Fiscal Agent.

(d) The Correctional Facility Revenue Fund (the “**Revenue Fund**”) previously established and maintained in a separate and special bank account with Fiscal Agent Bank.

Additional accounts may be created pursuant, if determined to be necessary by Bond Counsel.

**SECTION 4.2 Application of Proceeds.** On the Issuance Date, the purchase price of the Bonds will be paid by the Purchaser to the Issuer by deposit in the Proceeds Fund. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to cause to be deposited all Bond Proceeds in the Proceeds Fund and then to cause the disbursement of the Bond Proceeds as provided in **Section 4.3** below.

All such deposits shall be made in accordance with the Closing Memorandum, and should the Closing Memorandum conflict with the instructions contained in this **Article IV**, the Closing Memorandum shall control, and any instructions therein conflicting with this **Article IV** shall be deemed included herein as if such instructions were set forth herein in their entirety.

**SECTION 4.3. Proceeds Fund.** The Proceeds Fund will be used to receive all Bond Proceeds in the manner set forth in the Closing Memorandum. The Bond Proceeds in the Proceeds Fund shall be used, as directed in the Closing Memorandum, and shall further be allocated to the respective accounts as stated therein. Any monies remaining in the Proceeds Fund 180 days after the Closing Date shall be used to make principal payments on the Bonds. Paying Agent shall retain in the Proceeds Fund such Bond Proceeds in the amount required to pay the Costs of Issuance as directed by the Executive Officer in accordance with the Closing Memorandum and shall cause wire transfers to be made for such costs.

**SECTION 4.4 Revenue Fund.** All of the Pledged Revenues derived by the District from the operation of the Correctional Facility shall be deposited in the Revenue Funds. The Pledged Revenues shall be administered and used for the purposes of paying the principal of and the interest on the Bonds herein authorized, and any Additional Parity Bonds issued hereafter in the manner provided by this Order, as set forth in the Bond, but not later than the third (3rd) Business Day prior to each date upon which principal and interest is due.

**SECTION 4.5 Equipment Fund.** The Paying Agent shall cause to be transferred into the Equipment Fund an amount of Bond Proceeds specified in the Closing Memorandum. Such amounts shall be used to purchase equipment and make other capital purchases as are deemed necessary by the Executive Officer.

**SECTION 4.6. No Reserve Claim.** Purchaser hereby waives any claim to any reserve fund associated with any future Additional Parity Bonds.

## ARTICLE V

### MAINTENANCE OF FUNDS AND ACCOUNTS

**SECTION 5.1. Security for Bonds Funds.** All of the Pledged Revenues shall continue to be deposited in the manner the District deposits said moneys in its ordinary course of business, with the Fiscal Agent. The Owners are hereby granted a lien on all funds established pursuant to the requirements of this Order, until applied in the manner herein provided.

**SECTION 5.2. Funds to Constitute Trust Fund.** The Proceeds Fund, Reserve Fund and Equipment Fund created in **Article IV** hereof shall all be and constitute trust funds for the purposes provided in this Order, and Bonds issued pursuant to this Order be and they are hereby granted a lien on all such funds until applied in the manner provided herein. The moneys in such funds shall at all times be secured to the full extent thereof by the bank or trust company holding such funds in the manner required by the laws of the State. The Executive Officer is hereby authorized and directed to execute any instrument necessary to effect this section.

## ARTICLE VI REDEMPTION OF BONDS

### SECTION 6.1. Optional Redemption of Bonds.

The principal of this Bond is subject to optional redemption in whole or in part, at any time upon ten (10) days' notice to the Bondholders.

## ARTICLE VII PARTICULAR COVENANTS

**SECTION 7.1. Payment of Bonds.** The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal and interest, of every Bond at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

**SECTION 7.2. Tax Covenants.** To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from “gross income” of interest on the Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in the Code or would result in the inclusion of the interest on any Bond in “gross income” under the Code, including without limitation, the failure to comply with the limitation on investment of the proceeds of the Bonds, the payment of any required rebate of arbitrage earnings to the United States of America, or the use of the proceeds of the Bonds in a manner which would cause the Bonds to be “private activity bonds” under the Code.

**SECTION 7.3. Fidelity Bonds.** So long as any of the Bonds are outstanding and unpaid, the Issuer shall require all of its officials and employees who may be in a position of authority or in possession of money derived from the collection of the Pledged Revenues, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the issuer from loss.

## ARTICLE VIII SUPPLEMENTAL ORDERS

**SECTION 8.1. Supplemental Orders Effective Without Consent of Bondholders.** For any one or more of the following purposes and at any time from time to time, an order supplemental hereto may be adopted, which, upon the filing with the Owners of 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 Issuer in this Order other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Order as theretofore in effect;

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

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

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

**SECTION 8.2. Supplemental Orders Effective With Consent of Owners.** Except as provided in **Section 8.1**, any modification or amendment of this Order or of the rights and obligations of the Issuer and of the Owners hereunder, in any particular, may be made by a supplemental Order, 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. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal and/or interest of any outstanding Bond or a reduction in the principal amount or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy taxes and collect the Pledged Revenues for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of the Order if the same adversely affects or diminishes the rights of the Owners of said Bonds.

## ARTICLE IX COVENANTS AS TO THE MAINTENANCE AND OPERATION OF THE CORRECTIONAL FACILITY

**SECTION 9.1. General Covenants of Issuer.** The Issuer further expressly represents, covenants and agrees:

(a) To comply with the terms, covenants and provisions expressed or implied, of all contracts pertaining to, affecting or involving the Financing or the business of the Issuer, the violation or breach of which would materially and adversely affect the ability of the Issuer to fulfill its obligations hereunder;

(b) Whenever and so often as requested to do so by the Bondholder, promptly to execute and deliver or cause to be executed and delivered all such other and further instruments and documents, and to promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the Bondholder of the Bonds all rights, interests, powers, benefits, privileges and advantages conferred upon them by this Order;

(c) Promptly, upon the request of the Bondholders from time to time, to take such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Correctional Facility or any part thereof, whether now existing or hereafter developing, to prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and to indemnify and save the Bondholders harmless from all loss, cost, damage and expense, including attorney's fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceeding;

(d) To fulfill its obligations and to perform punctually its duties and obligations under this Order and to otherwise carry on its business in accordance with the terms hereof to assure the continued proper operation, management, repair and main-

-tenance of the Correctional Facility; and

(e) To cause compliance with all material provisions of applicable Federal, State and local laws;

**SECTION 9.2. Operations and Maintenance.** The Issuer acknowledges and agrees that it shall pay during the term hereof all payments and other sums required hereunder and all operation and maintenance expenses. The Issuer also expressly covenants and agrees:

(a) That it shall maintain or cause to be maintained the Correctional Facility, and each and every portion thereof, including all additions and improvements and all facilities adjoining and/or appurtenant thereto, in good operating order and condition, reasonable and ordinary wear and tear alone excepted, and make all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen, and otherwise to make all replacements, alterations, improvements and modifications to the Correctional Facility necessary to ensure that the same at all times shall be suitable for the efficient operation thereof for the purpose intended;

(b) That it shall have full and sole responsibility for the condition, repair, replacement, maintenance and management of the Correctional Facility;

(c) That it shall pay, as the same respectively become due, all taxes and assessments, whether general or special, and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Correctional Facility. The Issuer shall not allow any part of the Correctional Facility to become and remain subjected to any mechanics', laborer's or materialmen's liens of record. Notwithstanding the foregoing, the Issuer may, at its own expense and in its own name, contest any such item of tax, assessment, liens or other governmental charge and, in the event of such contest, may permit the item so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Bondholders shall notify the Issuer that, in the opinion of nationally recognized bond counsel by nonpayment of any such items the security afforded the Bonds pursuant to the terms of the this Order will be materially endangered, in which event such taxes, assessments or charges shall be paid forthwith. The Bondholders will cooperate to the extent reasonably necessary with the Issuer in any such claim, defense or contest. In the event the Issuer fails to do so, the Bondholders may, but shall be under no obligation to, pay any such item and any amounts so advanced therefor by the Bondholders shall become an additional obligation of the Issuer to the one making the advancement, which amount the Issuer agrees to pay together with interest thereon at the not to exceed rate of interest permissible by state law;

(c) That it shall comply promptly with all material provisions of present and future laws, ordinances, orders, rules, regulations and requirements of every duly constituted governmental authority or agency and all material orders, rules and regulations of any regulatory, licensing, insurance underwriting or rating organization or other body exercising similar functions. The Issuer shall likewise perform and comply with all duties and obligations of any kind imposed by law, covenant, condition, agreement or easement and the requirements of all policies of insurance at any time in force with respect to the Correctional Facility;

(d) That it shall not use or allow the Correctional Facility to be used or occupied for any unlawful purpose or in violation of any private covenant, restrictions condition, easement or agreement covering or affecting the use of the Correctional Facility. The Issuer likewise shall not suffer any act to be done or any condition to exist in the Correctional Facility or any article to be brought therein or thereon which may be dangerous, unless safeguarded as required by law, or which, under law, constitutes a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto;

(e) That it shall provide all equipment, furnishings, supplies, facilities, services and personnel required for the proper operation, management, repair and maintenance of the Correctional Facility in an economical and efficient manner, consistent with standards of operation and administration generally acceptable for facilities of comparable size and scope of operations; and

(f) That it shall take all action, if any, that may be required to obtain such consents, exceptions, exemptions or approvals of governmental authorities as may be necessary to permit it to comply fully with all covenants, stipulations, obligations and agreements of the Issuer contained in this Order.

**SECTION 9.3. Covenant as to Encumbrances.** The Borrower covenants that, so long as any of the Bonds remain outstanding, it shall not hereafter alienate and shall not hereafter create or suffer to be created any assignment, pledge, mortgage, hypothecation or lien on the Correctional Facility or the Pledged Revenues under any circumstances, except for permitted encumbrances or in conjunction with the issuance of Additional Parity Bonds.

**SECTION 9.5. Records and Accounts; Audit Reports.** As long as any of the Bonds are outstanding and unpaid in principal or interest the Issuer shall maintain and keep proper books of records and accounts separate and apart from all other records and accounts in which shall be made full and correct entries of all transactions relating to the Issuer's financial status. Not later than six (6) months after the close of each Fiscal Year the Issuer shall cause an audit of such books and accounts to be made by the Legislative Auditor of the State of Louisiana (or his successor) or a recognized independent firm of certified public accountants. Such audit shall be available for inspection by the Owners of any of the Bonds. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(a) A statement in detail of the income and expenditures of the District for such Fiscal Year; and

(b) A balance sheet of the District as of the end of such Fiscal Year.

All expenses incurred in the making of the audits required by this Section shall be regarded and paid as a maintenance and operating expense of the Correctional Facility. The Issuer further agrees that the Owners of the Bonds shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as they may reasonably require. The Issuer further agrees that the Owners of the Bonds shall have at all reasonable times the right to inspect the Correctional Facility and the records, accounts and data of the Issuer relating thereto.

**SECTION 9.6. Rights of Bondholders; Appointment of Receiver in Event of Default.** The Owners of the Bonds from time to time shall be entitled to exercise all rights and powers for which provision is made in the laws of the State. Any Owners of the Bonds 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, or granted and contained in this Order, and may enforce and compel the performance of all duties required by this Order, or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof, including the fixing, charging and collecting of rentals, fees or other charges for the use of the Correctional Facility, and in general to take any action necessary to most effectively protect the rights of the Owners.

In the event that default shall be made in the payment of the interest on or the principal of any of the Bonds as the same shall become due, or in the making of the payments to the Paying Agent or any other payments required to be made by this Order, or in the event that the Issuer or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the

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