

**PROCEEDINGS OF THE CITY COUNCIL OF BOSSIER CITY  
STATE OF LOUISIANA TAKEN AT THE REGULAR MEETING  
DECEMBER 2, 2008**

The City Council of the City of Bossier City, State of Louisiana, met in regular session in Council Chambers, 620 Benton Road, Bossier City, Louisiana, Tuesday, December 2, 2008 at 3:00 PM

Invocation was given by Council Member Scott Irwin

Pledge of Allegiance led by Council Member Don Williams

Roll Call as Follows:

Present: Honorable Scott Irwin, President; Honorable Councilors, Timothy Larkin, David Montgomery, Jr., Jeffery Darby, Don Williams, David Jones, Dr. James Rogers

Absent: none

Present: Mayor Lorenz Walker, James Hall, City Attorney, Phyllis McGraw, Deputy City Clerk, Helen Thornton, City Clerk.

By: Dr. Rogers

Motion made to approve minutes of the November 18, 2008 meeting and dispense with the reading.

Seconded by Mr. Williams

Vote in favor of motion is unanimous.

By: Mr. Jones

Motion made to bring item tabled at the November 4, 2008 meeting to be added to agenda: Adopt Ordinance providing for the issuance of Utilities Revenue Bonds, Series 2008, of the City of Bossier City, State of Louisiana; in one or more series, for the purpose of making additions, improvements, extensions, renewals, replacements or repairs to the waterworks plant and system and the sewer utility system, prescribing the form, fixing the details and providing for the payment of principal of and interest on said bonds and for the rights of the owners thereof; approving the Official Statement; awarding the bonds to the purchaser thereof; and providing for other matters in connection therewith

Seconded by Dr. Rogers

No Public Comment

Vote in favor of motion is unanimous.

By: Mr. Williams

Add to agenda Adopt Resolution clarifying the temporary zoning moratorium within the National Cyber Research Park Overlay District to provide for case by case review of building permits and certifications of occupancy prior to issuance

Seconded by Mr. Jones

No Public Comment

Vote in favor of motion is unanimous.

By: Dr. Rogers

Motion made to approve agenda as amended

Seconded by Mr. Jones

Vote in favor of motion is unanimous.

Mayor Walker welcomes Bossier City Women's Commission and members of the Bossier Youth Leadership Program.

Dr. Rogers comments on Mayor Walker's letter sent to City Employees on November 19, 2008 reference the 2009 City Budgets. Dr. Rogers stated he thought letter was in poor taste and did not appreciate how the letter made it look like the other four Council Members were not in support of the City's budget.

Mayor stated he appreciated Dr. Rogers input.

Public Hearing was conducted by Joe Buffington, Director of Finance, for the adoption of the 2009 Budgets for the City of Bossier City

No Public Comment.

By: Mr. Jones

Motion made to combine for adoption item's 2 – 14 on the agenda (2009 Budgets)

Seconded by Mr. Montgomery

Vote in favor of motion is unanimous.

Mr. Williams comments his stance with the budget, is still spending too much money and hiring to many people.

Mr. Darby stated he is not voting against the whole budget just the General Fund Budget and still wants to provide quality service to the public.

Mayor Walker stated he will start cutting back on services, monies to other governmental agencies and other items if economy starts to worsen in 2009.

Dr. Rogers states he believes that the City's savings is why the city has such a good bond rating

Mr. Montgomery stated Bossier City's savings are in excellent shape compared to other cities and hopes to continue with more sales tax and property tax for a progressive city.

Mr. Irwin stated he thinks the budget is a conservative one and that Bossier City is still developing which is a good sign.

Mr. Larkin stated he believed the City's 2009 budgets were presented to the Council in a very informative process.

By: Mr. Jones

Motion was made to adopt ordinances No. 2-14 on the agenda which is the 2009 Budgets for the City of Bossier City

Seconded by Dr. Rogers

Vote in favor of motion carried by the following vote:

Ayes: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Jones, Dr. Rogers

Nays: Mr. Williams, Mr. Darby

Absent: none

Abstain: none

**Bossier Press Ord 93-105 Should be inserted here.**

The following Ordinance offered and adopted:

**ORDINANCE NO. 106 of 2008**

**ADOPT AN ORDINANCE SUPPORTING AND AUTHORIZING \$65,000.00 TO COME FROM THE HOTEL/MOTEL TAXES SPECIAL REVENUE FUND FOR THE CITY OF BOSSIER CITY'S SUPPORT FOR THE 2009 BASS MASTERS CLASSIC**

**WHEREAS**, the City of Bossier City and the Bossier Parish Police Jury fully support upcoming 2009 Bassmaster Classic that is scheduled February 20-22, 2009 to take place on the Red River; and

**WHEREAS**, the 2009 Bass Masters Classic will be the largest regional sporting event in the history of the two communities to place in venues in both Shreveport and Bossier City; and

**WHEREAS**, the 2009 Bassmaster Classic is an event that is estimated to bring an approximate \$24 million dollar economic impact to the entire community, generate approximately 5000 hotel room nights and will be broadcast on ESPN with 10 hours of television coverage; and

**WHEREAS**, the City of Bossier City estimates that \$65,000.00 is required for the City's portion of the bid fee, promotional and event marketing expenses for the event; and

**WHEREAS**, the City of Bossier City's has a direct interest in working with the 2009 Bassmaster Classic and the Local Organizing Committee in the use of the CenturyTel Center, as the official Weigh-in facility during event on February 20-22, 2009.

**NOW, THEREFORE, BE IT ORDAINED** by the Bossier City Council in regular session convened does hereby authorize the use of the Hotel/Motel Taxes Special Revenue Fund to be used for the 2009 Bass Masters Classic Event.

**BE IT FURTHER RESOLVED THAT** Mayor Lorenz J. Walker is hereby authorized to sign any and all documents in connection with the furtherance of this Ordinance.

The above and foregoing Ordinance was read in full at open and legal session convened, was on motion of Dr. James Rogers, and seconded by Mr. David Jones, and adopted on the 2<sup>nd</sup> day of December, 2008, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Jr., Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones and Dr. Rogers

NAYS: none

ABSENT: none

ABSTAIN: none

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Scott Irwin, President

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Helen Thornton, City Clerk

**Bossier Press Ord. 107-109 should be inserted here**

The following ordinance having been introduced at a duly convened meeting on December 2, 2008, and notice of its introduction having been published in the official journal, was offered by Dr. James Rogers and seconded by Mr. David Jones:

**BOND ORDINANCE NO. 110 OF 2008**

An ordinance providing for the issuance of Utilities Revenue Bonds, Series 2008, of the City of Bossier City, State of Louisiana; in one or more series, for the purpose of making additions, improvements, extensions, renewals,

replacements or repairs to the waterworks plant and system and the sewer utility system, prescribing the form, fixing the details and providing for the payment of principal of and interest on said bonds and for the rights of the owners thereof; approving the Official Statement; awarding the bonds to the purchaser thereof; and providing for other matters in connection therewith.

WHEREAS, the City of Bossier City, State of Louisiana (the “Issuer”) now owns and operates a combined waterworks plant and system and sewer utility system as a single revenue producing public utility (the “Utility System”); and

WHEREAS, the Issuer held a public hearing on September 16, 2008, at which hearing no objections were heard concerning the issuance of not exceeding \$125,000,000 of revenue bonds for the purpose of making additions, improvements, extensions, renewals, replacements or repairs to the Utility System; and

WHEREAS, the Issuer adopted Ordinance No. 77 of 2008 on September 16, 2008 authorizing the issuance of not exceeding \$125,000,000 of revenue bonds for the purpose of making additions, improvements, extensions, renewals, replacements or repairs to the Utility System; and

WHEREAS, pursuant to Chapter 13 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority, it is now the desire of this City Council to adopt this Bond Ordinance in order to provide for the issuance of One Hundred Twenty-Five Million Dollars (\$125,000,000) principal amount of its Utilities Revenue Bonds, Series 2008 (the “Bonds”), for the purpose of prescribing the form, fixing the details and providing for the payment of principal of and interest on said bonds and for the rights of the owners thereof; providing for a reserve fund and paying the costs of issuance and the premium for the Municipal Bond Insurance Policy; approving the Official Statement; awarding the bonds to the purchaser thereof; and providing for other matters in connection therewith; and

WHEREAS, the Issuer now has outstanding the following described Utilities Revenue Bonds:

**One Million Seven Hundred Fifteen Thousand Dollars (\$1,715,000) of Utilities Revenue Refunding Bonds, Series 1996**, dated February 1, 1996, maturing on October 1 of the years 2009 to 2010, inclusive, bearing interest at the rates of 5.0% and 5.10% per annum (the “1996 bonds”), being the outstanding bonds of an issue of Seven Million Five Hundred Ninety-Five Thousand Dollars (\$7,595,000), issued pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, and by virtue of an ordinance adopted by the City Council on January 30, 1996, payable from a pledge and dedication of the income and revenues of the Utility System;

**Three Million Seven Hundred Sixty-Five Thousand Dollars (\$3,765,000) of Utilities Revenue Bonds, Series 1997**, dated December 30, 1997, maturing on October 1 of the years 2009 to 2019, inclusive, bearing interest at the rate of 3.95% per annum (the “1997 Bonds”), and being the outstanding bonds of an issue Six Million Five Hundred Thousand Dollars (\$6,500,000), issued pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950 by virtue of an ordinance adopted by the City Council on November 4, 1997, payable from a pledge and dedication of the income and revenues of the Utility System;

**Two Million Five Hundred Forty-Seven Thousand Seven Hundred Ninety-Two Dollars (\$2,547,792) of Utilities Revenue Bonds, Series 2001**, dated June 19, 2001, maturing on October 1 of the years 2009 to 2022, inclusive, bearing interest at the rate of 3.95% per annum (the “2001 Bonds”), and being the outstanding bonds of an issue Three Million Five Hundred Thousand Dollars (\$3,500,000), issued pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950 by virtue of an ordinance adopted by the City Council on May 1, 2001, payable from a pledge and dedication of the income and revenues of the Utility System;

**Two Million Eight Hundred Fifty-Five Thousand Dollars (\$2,855,000) of Utilities Revenue Refunding Bonds, Series 2002**, dated July 1, 2002, maturing on October 1 of the years 2009 to 2012, inclusive, bearing interest at the rates of 4.00%, 4.50% and 4.125% per annum (the 2002 Refunding Bonds”), and being the outstanding bonds of an issue Four Million One Hundred Sixty-Five Thousand Dollars (\$4,165,000), issued pursuant to the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950 by virtue of an ordinance adopted by the City Council on June 4, 2002, payable from a pledge and dedication of the income and revenues of the Utility System; and

**Twelve Million Two Hundred Forty-Five Thousand Dollars (\$12,245,000) of Utilities Revenue Bonds, Series 2002**, dated July 1, 2002, maturing on October 1 of the years 2013 to 2022, inclusive, bearing interest at the rates of 4.25%, 4.375%, 4.625%, 5.00%, and 5.125% per annum (the 2002 New Money Bonds”), being the outstanding bonds of an issue Twelve Million Two Hundred Forty-Five Thousand Dollars (\$12,245,000), issued pursuant to the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950 by virtue of an ordinance adopted by the City Council on June 4, 2002, payable from a pledge and dedication of the income and revenues of the Utility System (collectively, the “Parity Bonds”).

WHEREAS, the Issuer desires to fix the details necessary with respect to the issuance of the Bonds and to provide for the authorization and issuance thereof; and

WHEREAS, under the terms and conditions of the aforesaid ordinances of **January 30, 1996, November 4, 1997, May 1, 2001, and June 4, 2002**, authorizing the issuance of said outstanding Parity Bonds (collectively, the “Parity Bond Ordinances”), the Issuer has authority to issue additional bonds on a complete parity with said Parity Bonds, under the terms and conditions provided therein; and

WHEREAS, this City Council, acting as the governing authority of the Issuer, has determined that all such terms and conditions specified in the Parity Bond Ordinances, have been or will be complied with prior to the delivery of the Bonds herein authorized, and it is the express desire and intent of this City Council that the Bonds herein authorized be issued on a complete parity with the Parity Bonds; and

WHEREAS, it is the intention of the Issuer that the Bonds authorized herein be secured by and payable solely from the income and revenues 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 administration, operation and maintenance of the Utility System; and

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Bossier City, State of Louisiana, that:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 101. Definitions. The following terms shall have the following meaning unless the context otherwise requires:

**“Act”** means the applicable provisions of Chapter 13 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, as amended.

**“Additional Bonds”** means such Bonds as may be issued under and in accordance with the provisions of Section 704 of this Bond Ordinance.

**“Bond”** or **“Bonds”** means any or all of the Utilities Revenue Bonds, Series 2008, of the Issuer, issued pursuant to this Bond Ordinance, as the same may be amended from time to time, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

**“Bondholder”**, **“Registered Owner”**, or **“Owner”** means the Person reflected as registered owner of any of the Bonds on the registration books maintained by the Paying Agent. Notwithstanding any provision of this Bond Ordinance to the contrary, the Bond Insurer, if any, shall, at all times, be deemed an owner of all the Bonds for the purposes of consenting to any resolution supplementing or amending the Bond Ordinance, and shall be notified in advance of the adoption of any resolution supplemental or amendatory hereto whether or not the consent of the Owner is required.

**“Bond Counsel”** means an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

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

**“Bond Ordinance”** means this ordinance and any ordinance amendatory or supplemental thereto.

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

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

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

**“Costs of Issuance”** means all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, official statements, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, and any other cost, charge or fee in connection with the original issuance of Bonds.

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

**“Debt Service Reserve Fund Obligation”** means surety bond or insurance policy meeting the requirements described in Section 503(c) hereof.

**“Defeasance Obligations”** means (a) Cash, or (b) Government Securities.

**“Executive Officers”** means collectively the Mayor and City Clerk of the City of Bossier City, State of Louisiana.

**“Fiscal Year”** means the one-year period commencing on January 1 of each year or such other one-year period as may be designated by the Governing Authority as the fiscal year of the Issuer.

**“Governing Authority”** means the City Council of the City of Bossier City, State of Louisiana, the governing authority of the Issuer, or its successor in function.

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

**“Insurer”** shall mean, with respect to the Insured Bonds, Berkshire Hathaway Assurance Corporation, a New York corporation, or any successor thereto or assignee thereof.

**“Interest Payment Date”** means April 1 and October 1 of each year, commencing April 1, 2009.

**“Issuer”** means the City of Bossier City, State of Louisiana.

**“Municipal Bond Insurance Policy”** shall mean the municipal bond insurance policy issued by the Bond Insurer insuring the payment when due of the principal of and interest on the Insured Bonds as provided therein.

**“Net Utilities Revenues”** means the income and revenues 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 administration, operation and maintenance of the Utility System.

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

Bonds theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds with the effect specified in Section 1201 of this Bond Ordinance, provided that if such Bonds are to be redeemed, irrevocable notice of such redemption has been duly given or provided for pursuant to the Bond Ordinance, to the satisfaction of the Paying Agent, or waived;

Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to the Bond Ordinance; and

Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in the Bond Ordinance or by law.

**“Parity Bonds”** means the outstanding Utilities Revenue Bonds of the Issuer, all as more fully described in the preamble hereto.

**“Parity Bond Ordinance”** means the ordinances adopted by the Governing Authority on January 30, 1996, November 4, 1997, May 1, 2001 and June 4, 2002, authorizing the issuance of the Parity Bonds.

**“Paying Agent”** means The Bank of New York Mellon Trust Company, N.A., in the City of Baton Rouge, Louisiana, until a successor Paying Agent shall have become such pursuant to the applicable provisions of the Bond Ordinance, and thereafter “Paying Agent” shall mean such successor Paying Agent.

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

**“Underwriters”** means Merrill Lynch, Pierce, Fenner & Smith Incorporated and Crews & Associates, Inc.

**“Qualified Investments”** means the following, provided that the same are at the

time legal for investment of the Issuer's funds:

(i) Government Securities, including obligations of any of the Federal agencies set forth in clause (ii) below to the extent unconditionally guaranteed by the United States of America, and CATS, TIGRS and/or STRIPS;

(ii) direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; senior debt obligations of the Federal Home Loan Bank; debentures of the Federal Housing Administration; guaranteed mortgage-backed bonds and guaranteed pass-through obligations of the Government National Mortgage Corporation; guaranteed Title XI financing of the U. S. Maritime Administration; mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association; and participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (collectively, "Agency Obligations");

(iii) certificates of deposit, savings accounts, deposit accounts or money market deposits of any bank or trust company organized under the laws of the State or any national banking association having its principal office in the State which has a combined capital surplus and undivided profit of not less than three million dollars (\$3,000,000) (including the Paying Agent) which are fully insured by the Federal Deposit Insurance Corporation or fully collateralized in the manner provided by Louisiana law;

(iv) general obligation bonds or other direct obligations of any state or a political subdivision or public corporation of any state, the interest on which is exempt from federal income taxes, provided that such bonds are rated at the time the investment is made by Moody's Investors Service and Standard & Poor's Corporation in one of the two highest rating categories.

**"Record Date"** means, with respect to an Interest Payment Date, the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date, whether or not such day is a Business Day.

**"Redemption Price"** means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the Bond Ordinance.

**"Reserve Fund Requirement"** means, as of any date, the highest Debt Service requirements on the Parity Bonds, the Bonds and any additional parity bonds in any succeeding Bond Year.

**"State"** means the State of Louisiana.

**"Utility System"** means the single revenue producing public utility comprised of the combined waterworks plant and system and sewer utility system lying within and without the boundaries of the Issuer; the Utility System shall include specifically all properties of every nature owned by the Issuer and used or useful in the operation of the Utility System, as said plants now exist and as the same may be improved, extended or supplemented from any source while any of the Bonds remain outstanding, including all real estate, personal and intangible properties, contracts, franchises, leases and choses in action, and including specifically all properties now or hereafter operated by the Issuer under lease or agreement with any other individual, partnership or corporation, public or private, as a part of the Utility System, whether lying within or without the boundaries of the Issuer.

SECTION 102. Interpretation. In the 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.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 201. Authorization of Bonds. (a) This Bond Ordinance creates a series of Bonds of the Issuer designated “Utilities Revenue Bonds, Series 2008, of the City of Bossier City, State of Louisiana”, and provides for the full and final payment of the principal or redemption price of and interest on all the Bonds.

(b) The Bonds issued under this Bond Ordinance shall be issued for the purpose of making additions, improvements, extensions, renewals, replacements or repairs to the Utility System, providing for a reserve fund, paying the Costs of Issuance and paying the premium for the Municipal Bond Insurance Policy.

SECTION 202. Bond 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 Bond Ordinance shall be a part of the contract of the Issuer with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, each of which Bonds, regardless of the time or times of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Bond Ordinance.

SECTION 203. Obligation of Bonds. The Bonds, equally with the Parity Bonds, shall be payable as to both principal and interest solely from the income and revenues 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 administration, operation and maintenance of the Utility System, pursuant to the Constitution and laws of the State of Louisiana. The Net Utilities Revenues are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds, and the Parity Bonds in principal, premium, if any, and interest as they shall respectively become due and payable, and for the other purposes hereinafter set forth in this Bond Ordinance. According to the flow of funds, the Net Utilities Revenues shall be set aside in a separate fund, as hereinafter provided, and shall be and remain pledged for the security and payment of the Bonds, and any future parity bonds issued pursuant to Section 704 hereof,

in principal, premium, if any, and interest and for all other payments provided for in this Bond Ordinance until such Bonds shall have been fully paid and discharged.

SECTION 204. Authorization and Designation. Pursuant to the provisions of the Act, there is hereby authorized the issuance of One Hundred Twenty-Five Million Dollars (\$125,000,000) principal amount of Bonds of the Issuer to be designated “Utilities Revenue Bonds, Series 2008, of the City of Bossier City, State of Louisiana,” for the purposes set forth in Section 201(b) above. The Bonds shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Bond Ordinance.

SECTION 205. Denominations, Dates, Maturities and Interest. The Bonds shall be issued as fully registered bonds without coupons in the denominations of \$5,000 as principal amount or any integral multiple thereof within a single maturity, shall be dated December 17, 2008, and shall be numbered R-1 upward. The unpaid principal of the Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, commencing April 1, 2009, and shall mature serially on October 1 of each year as follows:

<b><u>Due</u></b> <b><u>October 1</u></b>	<b><u>Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>
2009	\$145,000	3.500%	1.850%	101.284
2010	870,000	4.000%	2.920%	101.865
2011	910,000	4.000%	3.210%	102.087
2012	950,000	4.000%	3.490%	101.791
2013	1,270,000	5.000%	3.780%	105.292
2014	1,335,000	4.000%	3.650%	101.807
2015	1,380,000	5.000%	3.780%	107.239
2016	1,455,000	4.000%	4.000%	100.000
2017	1,510,000	5.000%	4.240%	105.521
2018	1,590,000	4.250%	4.460%	98.343
2019	1,655,000	4.500%	4.620%	98.983
2020	2,155,000	4.750%	4.900%	98.661
2021	2,265,000	5.000%	5.000%	100.000
2022	2,545,000	5.000%	5.080%	99.206
2023	4,335,000	5.000%	5.120%	98.758
2024	4,550,000	5.000%	5.200%	97.856
2025	4,780,000	5.125%	5.270%	98.389
2026	5,025,000	5.250%	5.330%	99.079
2027	5,290,000	5.250%	5.360%	98.698
2028	5,565,000	5.250%	5.400%	98.181

<u>Due Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
October 1, 2033	32,695,000	5.500%	5.540%	99.455
October 1, 2038	42,725,000	5.500%	5.620%	98.265

The principal of the Bonds and premium, if any, upon maturity or redemption, shall be payable at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before the Interest Payment Date by the Paying Agent to the Owner thereof (determined at the close of business on the Record Date) at the address of such Owner as it appears on the registration books of the Paying Agent maintained for such purpose. Except as otherwise provided in this Section, Bonds shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, provided, however, that to the extent that the Issuer shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date. The person in whose name any Bond is registered at the Record Date with respect to an Interest Payment Date shall in all cases be entitled to receive the interest payable on such Interest Payment Date (unless such Bond has been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

SECTION 206. Bonds Issued on a Parity with the Parity Bonds. The Bonds shall be and the same are hereby issued on a parity with the Parity Bonds, and the Bonds shall rank equally with and shall enjoy complete parity of lien with the Parity Bonds on all revenues or funds specifically applicable to the payment of the Parity Bonds, including the funds established by the Parity Bond Ordinances in connection with the security and payment of said Parity Bonds. The Governing Authority does hereby find, determine and declare that the Issuer has complied, or will comply prior to the delivery of the Bonds, with all the terms and conditions set forth in the Parity Bond Ordinances, with respect to authorizing the issuance of the Bonds on a parity with the Parity Bonds.

## ARTICLE III

### GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 301. Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration of ownership of the Bonds and for the registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its principal corporate trust office, and the Paying Agent is hereby constituted and appointed the registrar for the Bonds. At reasonable times and under reasonable regulations established by the Paying Agent, said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the Outstanding principal amount of the Bonds. Upon surrender for registration of transfer of any Bond, the Paying Agent shall register and deliver in the name of the transferee or transferees one or more new fully registered Bonds of authorized denominations of the same maturity and like aggregate principal amount. At the option of the Bondholder, Bonds may be exchanged for other Bonds of authorized denominations of the same maturity and like aggregate principal amount, upon surrender of the Bonds to be exchanged at said office. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange therefore the Bond or Bonds which the Bondholder making the exchange shall be entitled to receive. All Bonds presented for registration of transfer or exchange shall be accompanied by a written instrument or instruments of transfer in form and with a guaranty of signature satisfactory to the Paying Agent, duly executed by the Owner or his attorney duly authorized in writing. No service charge to the Bondholders shall be made by the Paying Agent for any exchange or registration of transfer of Bonds. The Paying Agent may require payment by the person requesting an exchange or registration of transfer of Bonds of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Issuer and the Paying Agent shall not be required (a) to issue, register the transfer of or exchange any Bond during a period beginning at the close of business on a Record Date or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) to register the transfer of or exchange any Bond so selected for redemption in whole or in part. All Bonds delivered upon any registration of transfer or exchange of Bonds

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

SECTION 302. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be improperly canceled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt an ordinance or a resolution and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly canceled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) compliance with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 304 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 original, additional, contractual obligation on the part of the Issuer, whether or not the lost, stolen or destroyed Bond is at any time found by anyone. Such duplicate Bond shall be in all respects identical with those replaced except as to the number thereof and that it shall bear on its face the following addition 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 officers who signed the original Bonds, provided, however, that in the event the officers who executed the original Bonds are no longer in office, then the new Bonds may be signed by the officers 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 issued 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 303. 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 305, 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 304. 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 Paying Agent. The Paying Agent shall thereupon promptly furnish to the Clerk of the Issuer an appropriate certificate of cancellation.

SECTION 305. Execution. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk of the Issuer, and the corporate seal of the Issuer (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds, may, nevertheless, be delivered as herein provided, and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such person may not have held such office

or that at the time when such Bond shall be delivered such person may have ceased to hold such office.

SECTION 306. Registration by Paying Agent. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under the Bond Ordinance 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 Paying Agent by a duly authorized signatory, and such executed certificate of the Paying Agent upon any such Bond shall be conclusive evidence that such Bond has been executed, registered and delivered under the Bond Ordinance.

SECTION 307. Regularity of Proceedings. The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to-wit:

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

#### **ARTICLE IV**

##### **APPLICATION OF PROCEEDS**

SECTION 401. Application of Bond Proceeds and Accrued Interest. (a) Upon the delivery of the Bonds, the amount, if any, received as accrued interest shall be deposited in the Sinking Fund described in Section 503(b) and applied by the Issuer to pay interest falling due on the Bonds on the first Interest Payment Date.

(b) Upon delivery of the Bonds, a portion of the proceeds of the Bonds shall be deposited in the Reserve Fund so that an amount equal to the Reserve Fund Requirement shall be on deposit in the Reserve Fund.

(c) After making the deposits described in (a) and (b) above, the remaining proceeds of the Bonds shall be deposited in a special fund to be established by the Issuer called the “City of Bossier City, State of Louisiana, Series 2008 Utilities Revenue Bond Project Fund,” and such moneys, together with the interest earnings thereon, shall be used to pay Costs of Issuance and for providing additions and improvements to the Utility System.

#### **ARTICLE V**

## **PAYMENT OF BONDS; DISPOSITION OF FUNDS**

SECTION 501. Deposit of Funds with Paying Agent. The Issuer covenants that it will deposit or cause to be deposited with the Paying Agent from the moneys derived from the operation of the Utility System or other funds available for such purpose, at least three (3) Business Days in advance of each Interest Payment Date, funds fully sufficient to pay promptly the principal, premium, if any, and interest so falling due on such date.

SECTION 502. Security for Bonds Funds. All of the income and revenues to be earned from the operation of the Utility System shall be deposited daily as provided in Section 503 hereof in the Utility System Fund, which fund shall be maintained separate and apart from all other funds of the Issuer. The Sinking Fund and the Reserve Fund (both as hereinafter defined) shall be held by the depository bank as special trust funds for the purposes provided in this Bond Ordinance, and all other funds shall be held by the depository bank as special deposits for the purposes set forth in the Parity Bond Ordinance and this Bond Ordinance, and subject to such reasonable instructions as the Issuer may give in writing to the depository bank. The Owners are hereby granted a lien on all funds established pursuant to the requirements of this Bond Ordinance until applied in the manner herein provided.

SECTION 503. Funds and Accounts. In order that the principal of and interest on the Bonds and the Outstanding Parity Bonds will be paid in accordance with their terms and in order to identify the monies that are subject to the terms and conditions of the Bond Ordinance and to the lien of the Bondowners, and for the other object and purposes set forth in the Bond Ordinance, the Issuer will keep a separate account of such funds so that they will be at all times distinguished from other Issuer revenues and monies, and such revenues shall never be available for loan or appropriation to any other account or used for any other purpose other than as provided in the Bond Ordinance. Such monies shall be maintained in a separate Issuer account on books maintained by the Issuer although they may be part of a bank account containing other monies, and for the other objects and purposes hereinafter provided, the Issuer further covenants that all income and revenues of every nature derived from the operation of the Utility System shall be deposited daily as the same may be collected in a separate and special bank account established and maintained with the bank or banks that from time to time are the

regularly designated fiscal agent bank or banks of the Issuer (the “Fiscal Agent Bank”). That separate account shall be known and designated as the “Utility System Fund”, and said Utility System 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 administering, operating and maintaining the Utility System;
- b. The maintenance of a separate Issuer account entitled “Revenue Bond Sinking Fund” (the “Sinking Fund”) established by the Parity Bond Ordinance, sufficient in amount to pay promptly and fully the principal of and the interest on the Bonds, and the Outstanding Parity Bonds, including any additional *pari passu* bonds issued hereafter in the manner provided by the Bond Ordinance, as they severally become due and payable, by transferring from the Utility System Fund to the Sinking Fund, monthly in advance on or before the 20<sup>th</sup> day of each month of each year, beginning January 20, 2009, the sums required under the Parity Bond Ordinance, and a sum equal to one-sixth (1/6) of the interest falling due on the Bonds on each successive Interest Payment Date, and one-twelfth (1/12) of the principal falling due on the Bonds on each successive principal payment date, together with such additional proportionate sum as may be required so that sufficient moneys will be available in the Sinking Fund to pay said principal and interest as the same respectively become due. Unless previously provided for by the Issuer, the Fiscal Agent Bank shall make such credit arrangements with the Paying Agent as will assure, from the amount of money in the Sinking Fund, prompt payment of principal and interest on the bonds payable from the Sinking Fund.
- c. The maintenance of a “Revenue Bond Reserve Fund” (the “Reserve Fund”) established by the Parity Bond Ordinance, by depositing Bond proceeds and/or other available funds upon delivery of the Bonds, so that there will be on deposit in the Reserve Fund upon the delivery of the Bonds a sum equal to the Reserve Fund Requirement (the “Debt Service Reserve Fund Obligation”). The money in the Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be default (except such amounts, if any, as may be payable to the United States of America as a rebate of arbitrage pursuant to Section 148(f) of the Code). In the event that additional *pari passu* bonds are issued hereafter in the manner provided by the Bond Ordinance, there shall be deposited at the time of delivery of such *pari passu* bonds, such amount as will increase the total amount on deposit in said Reserve Fund, to a sum equal to the Reserve Fund Requirement, provided the deposit of such amount from bond proceeds is not prohibited by law or would not cause the Bonds or the *pari passu* bonds to become subject to federal or Louisiana state income tax if owned by any class of taxpayers; otherwise, there shall be transferred monthly from the Utility System Fund to the Reserve Fund such amounts, in equal payments, as will increase the total amount on deposit in said Reserve Fund within a period of two (2) years or less to a sum equal to the Reserve Fund Requirement.

The Debt Service Reserve Fund Obligation permitted hereunder may be in the form of a surety bond or insurance policy meeting the requirements of paragraph (i) below:

- (i) A surety bond or insurance policy issued to the Paying Agent, as agent of the Owners of the Bonds, by a company licensed to issue an insurance policy guaranteeing the timely Debt Service Payment on the Bonds and on any series of Additional Bonds for which there shall be a Debt Service Reserve Requirement, provided the licensed company issuing the surety bond must have claims paying ability of “AAA” by S&P and “Aaa” by Moody’s at the time of issuance of the surety bond or insurance policy.
- d. The maintenance of a separate Issuer account entitled “Capital Additions and Contingencies Fund” (the “Contingencies Fund”) established by the Parity Bond Ordinance, to provide for additions and improvements necessary to properly operate the Utility System, by transferring from the Utility System Fund to the Contingencies Fund, on or before the 20<sup>th</sup> day of each month of each year, a sum equal to five percent (5%) of the gross revenues of the Utility System for the preceding month. In addition to providing for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utility System, the money in the Contingencies Fund shall be used to pay the principal of and the interest on the Bonds, including any additional pari passu bonds issued hereafter in the manner provided by the Bond Ordinance, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund, but the money in the Contingencies Fund shall never be used for the making of extensions, additions, improvements, renewals and replacements to the Utility System if such use of said money will leave in the Contingencies Fund for the making of emergency repairs or replacements less than the sum of Fifty Thousand Dollars (\$50,000.00).

If at any time it shall be necessary to use moneys in the Reserve Fund above provided for the purpose of paying principal 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 of the Utility System first thereafter received, not hereinabove required for the purposes described in (a) and (b) above, it being the intention that there shall as nearly as possible be at all times in the Reserve Fund the amount hereinabove specified.

All or any part of the moneys in the Utility System Fund, Sinking Fund, Reserve Fund and Contingencies Fund shall, at request of the Issuer, be invested in Qualified Investments, in which event all income derived from such Qualified Investments shall be added to the Utility System Fund as income and revenue of the Utility System, and such investments shall, to the extent at any time necessary, be liquidated and the proceeds thereof applied to the purposes for which such funds are created. Investments of monies in such funds shall be limited to investments maturing in five (5) years or less.

As long as the Issuer is in compliance with the mandatory rate covenant provided for in Section 901 of the Bond Ordinance, any money remaining in the Utility System

Fund on the 20<sup>th</sup> day of each month and after making the required payments into the Sinking Fund, Reserve Fund and Contingencies Fund for the current month and for prior months during which the required payments may not have been made shall be considered surplus. In the event the Issuer failed to comply with such rate covenant in the prior fiscal year, such monies shall not be considered surplus until a later audit of the Issuer's financial records shows that the Issuer is again in compliance. Such surplus may be used by the Issuer for such other lawful corporate purposes as the Governing Authority may determine, whether such purposes are or are not related to the Utility System except as such expenditures are limited by the City Charter then in effect.

SECTION 504. Method of Valuation and Frequency of Valuation. In computing the amount in any fund provided for in Section 503, Qualified Investments shall be valued as follows:

- (i) as to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;
- (ii) as to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Issuer in its absolute discretion) at the time making a market in such investments or in the bid price published by a nationally recognized pricing service;
- (iii) as to certificates of deposit and bankers acceptance, the face amount thereof, plus accrued interest; and
- (iv) as to any investment not specified above, the value thereof established by prior agreement between the Issuer, the Paying Agent and the Bond Insurer.

## **ARTICLE VI**

### **REDEMPTION OF BONDS**

SECTION 601. Redemption of Bonds. The Bonds maturing October 1, 2019, and thereafter, will be callable for redemption by the Issuer in whole or in part at any time on or after October 1, 2018, and if less than a full maturity, then by lot within such maturity, at the redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date.

SECTION 602. Denomination and Notice of Redemption. In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any Bond for redemption will be given by first class mail, postage prepaid, by notice deposited in the

United States mails not less than thirty (30) days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 604, the Issuer shall, at least one day prior to the redemption date, deposit moneys available therefor with the Paying Agent in an amount which, in addition to other amounts, if any, available therefor held by the Paying Agent will be sufficient to redeem on the redemption date, at the redemption price thereof together with accrued interest to the redemption date, all of the Bonds to be redeemed.

SECTION 603. Selection of Bonds to be Redeemed by Lot. In the event of redemption of less than all the outstanding Bonds of like maturity, such Bonds shall be redeemed by lot or in such other manner as shall be deemed fair and equitable by the Paying Agent for random selection.

SECTION 604. Notice of Redemption. Notice of any such redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, not less than thirty (30) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books maintained by the Paying Agent. Failure to give such notice by mailing to any Bondholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of other Bonds. All notices of redemption shall state (i) the redemption date; (ii) the redemption price; (iii) if less than all the Bonds are to be redeemed, the identifying number (and in the case of partial redemption, the respective principal amounts) and CUSIP number of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable on each such Bond and interest thereon will cease to accrue thereon from and after said date; and (v) the place where such Bonds are to be surrendered for payment. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner of such Bonds received the notice. On or before any redemption date the Paying Agent shall segregate and hold in trust funds furnished by the Issuer for the payment of the Bonds or portions thereof called, together with accrued interest thereon and premium, if any, to the redemption date. Upon the giving of notice and the deposit of funds for redemption, interest on such Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. If said moneys shall not be so available

on the redemption date, such Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption. No payment shall be made by the Paying Agent upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Paying Agent shall have received the items required by Section 302 with respect to any mutilated, lost, stolen or destroyed Bond. Upon surrender of any Bond for redemption in part only, the Paying Agent shall register and deliver to the Owner thereof a new Bond or Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

SECTION 605. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 604, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption date so designated at the redemption price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender thereof at the office in such notice, such Bonds or portions thereof shall be paid at the redemption price plus interest accrued and unpaid to the redemption date.

SECTION 606. Purchase of Bonds. The Paying Agent shall endeavor to apply any moneys furnished by the Issuer for the redemption of Bonds (but not committed to the redemption of Bonds as to which notice of redemption has been given) to the purchase of appropriate Outstanding Bonds. In accordance with Section 304, any Bonds so purchased shall be canceled. The price paid by the Paying Agent (excluding accrued interest, but including any brokerage or other charges) for any Bond purchased pursuant to this Section shall not exceed the Redemption Price thereof; the Paying Agent shall also pay (from moneys furnished by the Issuer) accrued interest on any such Bond. Subject to the above limitations, the Paying Agent, at the direction of the Issuer, shall purchase Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) with monies made available by the Issuer for such purpose, provided, however, that the Paying Agent shall not expend amounts for the purchase of Bonds of a particular maturity in excess of the amount that would otherwise be expended for the redemption of Bonds of such maturity, and provided further, that the Issuer may, in its discretion, direct the Paying Agent to advertise for tenders for the

purchase of Bonds not less than sixty (60) days prior to any date for redemption of Bonds.

## **ARTICLE VII**

### **PARTICULAR COVENANTS, ADDITIONAL PARITY BONDS**

SECTION 701. Obligation of the Issuer in Connection with the Issuance of the Bonds. As a condition of the issuance of the Bonds, the Issuer hereby binds and obligates itself to deposit the proceeds of the Bonds, as described in Section 401.

SECTION 702. Payment of Bonds. The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal or redemption price, if any, of every Bond and the interest thereon, at the dates and places and in the manner stated in the Bonds according to the true intent and meaning thereof.

SECTION 703. Tax Covenants. (A) To the extent permitted by the laws of the State, the Issuer will comply with the requirements of the Code to establish, maintain and preserve the exclusion from “gross income” of interest on the Bonds under the Code. The Issuer shall not take any action or fail to take any action, nor shall it permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer or any funds or accounts established within this Bond Ordinance 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.

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

SECTION 704. Issuance of Parity Bonds. All of the Bonds shall enjoy complete parity of lien on the revenues of the Utility System despite the fact that any of the Bonds

may be delivered at an earlier date than any other of the Bonds. The Issuer shall issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the income or revenues of the Utility System having priority over or parity with the Bonds, provided, however, that bonds may hereafter be issued on a parity with the Bonds under the following conditions:

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

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

- (a) The Net Utilities Revenues in the last completed Fiscal Year immediately preceding the issuance of the additional bonds adjusted to reflect any increase in rates which has been adopted and which will take effect prior to the date of delivery of such proposed bonds, must have been not less than one and twenty-five hundredths (1.25) times the highest combined principal and interest requirements for any succeeding Fiscal Year period on all bonds then outstanding, including any *pari passu* additional bonds theretofore issued and then outstanding and any other bonds or other obligations whatsoever then outstanding which are payable from the revenues of the Utility System (but not including bonds which have been refunded or provision otherwise made for their full and complete payment and redemption) and the bonds 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. In the event variable rate bonds are issued, it shall be assumed for the purpose of this calculation that the additional bonds shall bear interest at the maximum or ceiling rate that such additional bonds may bear unless the Bond Insurer, shall waive such provision. In any event, the calculation shall always assume an interest rate of at least one-half (1/2) of the maximum or ceiling rate.

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

(c) The existence of the facts required by paragraphs (a) and (b) above must be determined and certified to by the Legislative Auditor or by an independent firm of certified public accountants as may have been employed for that purpose. In making that determination, there may be a reliance upon the calculation of the adjustment of net utility revenues as a result of increased rates as prepared by a recognized engineer or firm of engineers employed for such purpose.

(d) There is no continuing event of default as described in the Bond Ordinance as certified by the Issuer's Director of Finance.

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

(f) The Bond Insurer, if any, must be notified of the issuance of such additional bonds on or before the delivery date thereof.

(g) The proceeds of the additional bonds must be used solely for the making of additions, improvements, extensions, renewals, replacements or repairs to the Utility System, or to refund bonds issued therefor.

## **ARTICLE VIII**

### **SUPPLEMENTAL BOND ORDINANCE**

SECTION 801. Supplemental Ordinances Effective Without Consent of Bondholders. For any one or more of the following purposes and at any time from time to time, an ordinance supplemental hereto may be adopted, which, upon the filing with the Paying Agent of a certified copy thereof, but without any consent of Bondholders, shall be fully effective in accordance with its terms:

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

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

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

(d) to cure any ambiguity, supply any omission, or cure or correct

any defect or inconsistent provision of the Bond Ordinance; or

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

Any provision of the Bond Ordinance expressly recognizing or granting rights in or to the Insurer may not be amended in any manner which affects the rights of the Insurer hereunder without the prior written consent of the Insurer.

SECTION 802. Supplemental Ordinances Effective With Consent of Bondholders. Except as provided in Section 801, any modification or amendment of the Bond Ordinance or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental ordinance, with the written consent of the Owners of a majority of the Bond Obligation at the time such consent is given. No such modification or amendment shall permit a change in the terms of redemption 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 redemption price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages of Bonds the consent of the Owner of which is required to effect any such modification or amendment, or change the obligation of the Issuer to levy rates and charges for the payment of the Bonds as provided herein, without the consent of the Owners of all of the Bonds then outstanding, or shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto. To the extent that bond insurance is utilized, the Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the Bond Ordinance. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of this Bond Ordinance if the same adversely affects or diminishes the rights of the Owners of said Bonds.

## **ARTICLE IX**

### **RATES AND CHARGES: COVENANTS AS TO THE MAINTENANCE AND OPERATION OF THE UTILITY SYSTEM**

SECTION 901. Obligation to Fix Rates. The Issuer, 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 Utility System and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each year at least sufficient to pay (i) the necessary expenses of administering, operating and maintaining the Utility System in such year, (ii) the principal and interest maturing on the Parity Bonds and the Bonds in such year, (iii) all reserve or sinking funds or other payments required for such year by the Parity Bond Ordinance and this Bond Ordinance, and (iv) all other obligations and indebtedness payable out of the income and revenues of the Utility System during such year, and which will in any event provide revenues in each year, after paying all reasonable and necessary expenses of administering, operating and maintaining the Utility System in such year, at least equal to 125% of the largest amount of principal and interest maturing on the Parity Bonds and the Bonds herein authorized and on any additional *pari passu* bonds in any future Fiscal Year, and that such rates, fees, rents or other charges shall not at any time be reduced so as to be insufficient to provide adequate revenues for such purposes.

SECTION 902. Schedule of Rates and Charges. 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 ordinances or resolutions setting up and establishing a schedule or schedules of rates and charges for the services and facilities to be rendered by the Utility 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 Utility 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 Utility System shall be sufficient at all times to meet and fulfill the other provisions stated and specified in Section 503 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 Utility System, irrespective of the user thereof, that no free services or facilities shall be furnished to any person, association of

persons or corporation, public or private, except the Issuer 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 Utility System as between users of the same type or class, provided, however, the Issuer shall not be required to meter water used for fire fighting purposes through its fire hydrants, but the Issuer hereby agrees to pay from its general revenues a minimum annual rental of Twenty-Five Dollars (\$25.00) per year for each fire hydrant connected to the Utility System and available for fire fighting. The Issuer agrees that all charges owed by any individual, partnership or corporation for water and sewer services rendered by the Utility 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 Issuer will shut off water service to the affected premises; and that the Issuer 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 Utility System. All delinquent charges for such services shall on the date of delinquency have added thereto a penalty of ten percent (10%) of the amount of the charge, and the amount so due, including the penalty charge and after thirty (30) days from the date of delinquency, bear interest at the rate of six percent (6%) per annum. If service shall be discontinued as above provided, the customer shall in addition to paying the delinquent charges and penalties, pay as a condition precedent to the resumption of service, a reasonable re-connection charge of not less than Seventeen and 50/100ths Dollars (\$17.50) 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 Bond Ordinance for services and facilities rendered by the Utility System shall remain in effect and neither said existing schedule nor any subsequent schedule shall be reduced at any time unless all payments required for all funds by this Bond Ordinance, including any deficiencies for prior payments, have been fully made, and unless such schedule as so reduced will in each year thereafter produce sufficient revenues to meet and fulfill the other provisions stated and specified in Sections 503 and 901 of this Bond Ordinance.

SECTION 903. Pledge of Revenues. In providing for the issuance of the Bonds, the Issuer does hereby covenant and warrant that it will be lawfully seized and possessed of the Utility System, that it has a legal right to pledge the income and revenues therefrom as herein provided, that the Bonds, together with the Parity Bonds and any *pari passu* additional bonds hereafter issued as provided in this Bond Ordinance, will have a lien and privilege on said income and revenues subject only to the prior payment of all reasonable and necessary expenses of administering, operating and maintaining the Utility System, and that the Issuer will at all times maintain the Utility System in first class repair and working order and condition.

SECTION 904. Insurance. So long as any of the Bonds herein authorized are Outstanding and unpaid in principal or interest, the Issuer shall carry full coverage of insurance on the Utility System at all times against those risks and in those amounts normally carried by privately owned public utility companies engaged in the operation of such utilities. The Issuer will also carry adequate public liability insurance. Said policies of insurance shall be issued by a responsible insurance company or companies duly licensed to do business under the laws of the State. In case of loss, any insurance money received by the Issuer, except on public liability insurance, shall be used for the purpose of promptly repairing or replacing the property damaged or destroyed, or shall be deposited in the Contingencies Fund to supplement any other amounts required to be paid into the Contingencies Fund.

SECTION 905. Accounting for System Revenues. So long as any of the Bonds herein authorized are Outstanding and unpaid in principal or interest, the Issuer shall maintain and keep proper books of record and accounts in which shall be made full and correct entries of all transactions relating to the Utility System. Not later than three (3) months after the close of each Fiscal Year, the Issuer shall cause the commencement of an audit of such books and accounts by a recognized independent firm of certified public accountants, showing the receipts of and disbursements made for the account of the Utility System, and such audit shall be completed within 180 days of the close of such Fiscal Year. Such audit shall be available for inspection by the Owner of any of the Bonds herein authorized, and a copy of such audit shall be furnished promptly after its completion to the original Underwriters 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:

1. A statement in detail of the income and expenditures of the Utility System for such Fiscal Year.
2. A balance sheet as of the end of such Fiscal Year.
3. The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Bond Ordinance, and the accountant's recommendations for any changes or improvements in the operation of the Utility System or the method of keeping the records relating thereto.
4. 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.
5. The number of metered water customers and the number of unmetered water customers, if any, at the end of the Fiscal Year.
6. An analysis of additions, replacements and improvements to the physical properties of the Utility System.

All expenses incurred in the making of the audits required by this Section shall be regarded and paid as a maintenance and operation expense. The Issuer further agrees that the original Underwriters of the Bonds, the Paying Agent and the Owners 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 to furnish to the original Underwriters of the Bonds or to such other parties as they shall designate in writing, and to the Paying Agent, and upon request, to any Owner, a monthly statement itemized to show the income and expenses of the operation of the Utility System and the number of connections for the preceding month. The Issuer further agrees that said original Underwriters, the Paying Agent and the Owners shall have at all reasonable times the right to inspect the Utility System and the records, accounts and data of the Issuer relating thereto.

SECTION 906. Rights of Owners. That the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made in the laws of the

State, particularly Sub-Part C, Part I, Chapter 10, Title 33 of the Louisiana Revised Statutes of 1950, as amended. Any Owners of said Bonds issued under the provisions of this Bond Ordinance, 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 Bond Ordinance, and may enforce and compel the performance of all duties required by this Bond Ordinance or by any applicable statutes to be performed by the Issuer or by any agency, board of officer thereof, including the fixing, charging and collection of rentals, fees or other charges for the use of the Utility System, and in general to take any action necessary to most effectively protect the rights of said Owners.

In the event that default shall be made in the payment of the interest on or the 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 503 of this Bond Ordinance or any other payments required to be made by 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 made herein, and in the further event that any such default shall continue for a period of thirty (30) days after written notice, any Owner or any trustee appointed to represent Owners as hereinafter provided, shall be entitled as of right to the appointment of a receiver of the Utility 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 Utility System, and each and every part thereof, and shall hold, operate and maintain, manage and control the Utility System, and each and every part thereof, and in the name of the Issuer shall exercise all the rights and powers of the Issuer with respect to the Utility System as the Issuer itself might do. Such receiver shall operate the Utility System in the manner provided in this Bond 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 issued pursuant to this Bond Ordinance,

and interest thereon, and under any covenants of this Bond Ordinance for all funds herein required, and upon any other obligations and interest thereon, having a charge, lien or encumbrance upon the fees, rentals or other revenues of the Utility System, shall have been paid and made good, and all defaults under the provisions of this Bond Ordinance shall have been cured and made good, possession of the Utility 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 Bonds issued pursuant to the Bond Ordinance, or any trustee appointed for Owners hereinafter provided, shall have the same right to secure the further appointment of a receiver upon 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 order 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 Utility System in the name of the Issuer and for the joint protection and benefit of the Issuer and Owners of Bonds issued pursuant to this Bond Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the Utility System but the authority of such receiver shall be limited to the possession, operation and maintenance of the Utility 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 and the ownership of the Utility System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the Utility System except with the consent of the Issuer and the Owners of not less than three-fourths (3/4) of the principal amount of the Bonds then outstanding, and in such manner as the court shall direct.

The Owners of Bonds in an aggregate principal amount of not less than twenty-five percent (25%) of Bonds issued under this Bond Ordinance then outstanding may by a

duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Bond Ordinance 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 their duly authorized attorneys or representatives, and shall be filed in the office of the Governing Authority.

Anything in this Bond Ordinance to the contrary notwithstanding, upon the occurrence and continuance of an event of default as defined herein, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Owners or the Paying Agent for the benefit of the Owners hereunder.

SECTION 907. Sale or Lease of System. So long as any of the Bonds authorized are outstanding in principal and interest, the Issuer shall be bound and obligated not to sell, lease, encumber, or in any manner dispose of the Utility System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the Issuer of property which in its judgment has become inexpedient to use in connection with the Utility System when other property of equal value is substituted therefor, or the proceeds derived from the sale of such property are used for the purpose of making extensions, improvements or additions to, or renewal of capital assets of the Utility System.

SECTION 908. Priority of Lien. Except as provided in Section 704 of this Bond Ordinance, the Issuer hereby covenants that it will not voluntarily create or cause to be created any debt, lien, pledge, mortgage, assignment, encumbrance or any other charge whatsoever having priority over or parity with the lien of the Bonds issued pursuant to this Bond Ordinance and the interest thereon upon any of the income and revenues of the Utility System pledged as security therefor in this Bond Ordinance.

SECTION 909. Franchise. So long as any of the Bonds herein authorized are outstanding and unpaid in principal or interest, the Issuer obligates itself not to grant a franchise to any competing utility for operation within the boundaries of the Issuer, and also obligates itself to oppose the granting of any such franchise by any other public board having jurisdiction over such matters. Further, the Issuer shall maintain its corporate identity and existence as long as any of the Bonds herein authorized remain outstanding.

SECTION 910. Security of and Covenant to Maintain System Revenues. So long as any of the Bonds herein authorized are outstanding and unpaid, the Issuer in operating the Utility System, shall require all of its officers and employees who may be in a position of authority or in possession of money derived from the operation of the Utility System, to obtain or be covered by a blanket fidelity or faithful performance bond, or independent fidelity bonds written by a responsible indemnity company in amounts adequate to protect the Issuer from loss.

SECTION 911. No Free Service. The Issuer hereby expressly agrees and covenants with the Owners of the Bonds herein authorized from time to time that the same will not provide any free water or sewer service and that the same will adopt and maintain rules and regulations which will insure that all bills for services will be collected in a prompt and punctual manner in order that all of the funds and payments required under Section 503 hereof may be maintained. The Issuer likewise warrants that the same will enforce all applicable laws of the State on the subject of the sale and distribution of water and the collection and disposal of sewage.

Acting in the exercise of its police powers, the Issuer shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land in the Issuer which abuts upon a street or other public way containing a sewer line and upon which lot or parcel a building shall have been constructed for residential, commercial or industrial use, to connect said buildings with the Utility System and to cease to use any other method for the disposal of sewerage, sewerage waste or other polluting matter. All such connections shall be made in accordance with 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 sewerage charges and for the compelling of the making of sewerage connections as aforesaid, the Issuer shall exercise and enforce promptly and efficiently all rights given it under the laws of Louisiana for the enforcement and collection of such charges, and particularly those rights and remedies given it by the Act.

SECTION 912. Consulting Engineer. It is recognized and understood that in purchasing and accepting delivery of the Bonds herein authorized, the original

Underwriters thereof have relied, and the Owners of the Bonds from time to time will rely, upon representations made by the Issuer that the Utility System will be economically and efficiently operated so that both the Issuer and the Owners of the Bonds may benefit through the production of maximum revenues. To this end, the Issuer hereby covenants and agrees that in the event it should default in making the payments required by Section 503 of this Bond Ordinance, it will retain a nationally known consulting utility engineer or firm of consulting utility engineers (in this Bond Ordinance referred to as "Consulting Engineer") for the purpose of providing the Issuer with proper engineering counsel in the operation of the Utility System until such time as all such defaults have been cured and satisfied. The Consulting Engineer shall be retained on an annual basis 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 Utility System. The Consulting Engineer retained under the provisions of this Bond Ordinance may be replaced at any time by another engineer or firm of engineers appointed or retained by the Issuer, provided no such engineer may be replaced until a resolution setting forth the just cause for such action, adopted by the Governing Authority, shall have been filed with the Clerk of the Issuer, the original Underwriters of the Bonds and with the Consulting Engineer, and thereafter a public hearing thereon shall have been conducted by the Governing Authority at which all interested persons are given an opportunity to be heard, after which the Governing Authority may make such replacement if so directed by at least a two-thirds vote of the Governing Authority taken at a regular meeting. If the Consulting Engineer is ever appointed, retained or replaced as above provided, such engineer or successor engineer shall be selected with special reference to his knowledge and experience in the construction and operation of publicly owned utility properties and shall be retained under contract at such reasonable compensation as may from time to time be agreed upon by the Governing Authority and the engineer.

Should the Governing Authority fail to retain a Consulting Engineer as herein provided and shall fail to do so within thirty (30) days after written notice from any Owner calling attention to such failure, then upon the petition of twenty-five (25%) of the Owners of the Outstanding Bonds, the Governing Authority shall select and retain such

Consulting Engineer as is named in the petition of the Owners.

Said Consulting Engineer as retained as hereinabove provided, shall annually inspect the Utility System and the records relating thereto, and within three (3) months after the close of the Fiscal Year and he shall prepare a written report upon the operations of the Utility System during the preceding year, the condition and maintenance of the properties thereof, the efficiency of the management of the property, the proper and adequate keeping of books of account and record, the adherence to budget and budgetary control provisions, the adherence to all the provisions of this Bond Ordinance, and any other things having a bearing upon the efficient and profitable operation of the Utility System as the Consulting Engineer feels should be contained in the report. Said Consulting Engineer shall also submit in said report such recommendations for maintenance, insurance, operation, repairs, renewals, replacements, extensions, betterments and improvements as he may deem proper. Copies of such report shall be placed on file with the Clerk of the Issuer and said report shall be furnished to any Owner of any of said Bonds upon request.

It shall also be the duty of the Consulting Engineer to advise the Issuer as to any changes or revisions of rates, fees, rents or other charges for services and facilities rendered or furnished by the Utility System, and the Issuer agrees to make no revisions therein which are not approved by the Consulting Engineer except that changes or revisions of such rates, fees, rents or other charges may be made without the approval of the Consulting Engineer if the Governing Authority by resolution adopted by two-thirds (2/3) of its members shall order such changes or revisions and call a public hearing to be held thereon within thirty (30) days from the adoption of the resolution. Not less than ten (10) days notice of such hearing shall be given to all interested parties, including the Consulting Engineer, and the original Underwriters of the Bonds herein authorized. Sixty (60) days before the close of each Fiscal Year the Issuer shall, in conjunction with the Consulting Engineer, prepare a budget for the ensuing year's operation of the Utility System. No expenditure for the operation, maintenance and repairs of the Utility System in excess of the amounts stated in the budget shall be made in any year unless authorized by the Governing Authority and approved by the Consulting Engineer.

The provisions of this Section shall only apply during any period during which the Issuer may be in default in making required payments into the funds established by Section 503 of this Bond Ordinance.

## **ARTICLE X**

### **CONCERNING FIDUCIARIES**

SECTION 1001. Paying Agent: Appointment and Acceptance of Duties. The Issuer will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The designation of the initial Paying Agent in this Ordinance is hereby confirmed and approved.

SECTION 1002. Successor Paying Agent. Any successor Paying Agent shall (i) be a trust company or bank in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority and (ii) have a reported capital and surplus of not less than \$10,000,000.

## **ARTICLE XI**

### **EVENTS OF DEFAULT**

SECTION 1101. Events of Default. If one or more of the following events (in this Bond Ordinance called “Events of Default”) shall happen, that is to say,

(a) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise; or

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or

(c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Bond Ordinance, any supplemental ordinance or in the Bonds and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer by the Owners of not less than 25% of the Bond Obligation (as defined in the Ordinance); or

(d) if the Issuer shall file a petition or otherwise seek relief under any Federal or State bankruptcy law or similar law; then, upon the happening and continuance of any Event of Default the Bond Insurer, if any, and the Owners of the Bonds, shall be entitled to exercise all rights and powers for which provision is made in the Act or in any provision of law; or

(e) in determining whether a payment default has occurred or whether a payment on the Bonds has been made under

the authorizing documents, no effect shall be given to payments made under the Bond Insurance Policy; or

(f) the Bond Insurer shall receive immediate notice of any payment default and notice of any other default known to the Paying Agent or the Issuer within 30 days of the Paying Agent's or the Issuer's knowledge thereof.

then, upon the happening and continuance of any Event of Default the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under this Bond Ordinance and State law.

## **ARTICLE XII**

### **MISCELLANEOUS**

SECTION 1201. Defeasance. (a) If the Issuer shall pay or cause to be paid to the Owners of all Bonds then Outstanding, the principal and interest and redemption price, if any, to become due thereon at the times and in the manner stipulated therein and in this Bond Ordinance, then the covenants, agreements and other obligations of the Issuer to the Bondholders shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to the Bond Ordinance which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Bonds or interest installments for the payment of which money shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or otherwise) at the maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section. Bonds shall be deemed to have been paid, prior to their maturity, within the meaning and with the effect expressed above in this Section if they have been defeased pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, or any successor provisions thereto.

SECTION 1202. Evidence of Signatures of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent or other instrument which the Bond Ordinance may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys-in-fact appointed in writing. Proof of (i) the

execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any person of the Bonds shall be sufficient for any purpose of the Bond Ordinance (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Paying Agent, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) the fact and date of the execution by any Owner or his attorney-in-fact of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgements of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority; and

(2) the ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books.

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

SECTION 1203. Moneys Held for Particular Bonds. The amounts held by the Paying Agent for the payment due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it, without liability for interest, for the Owners of the Bonds entitled thereto.

SECTION 1204. Parties Interested Herein. Nothing in the Bond Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent, the Bond Insurer and the Owners of the Bonds any right, remedy or claim under or by reason of this Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Bond Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent, the Bond Insurer and the Owners of the Bonds.

SECTION 1205. 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 Bond Ordinance against any member of the Governing Authority or officer of the

Issuer or any person executing the Bonds.

SECTION 1206. Successors and Assigns. Whenever in this Bond Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Bond Ordinance contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

SECTION 1207. Severability. In case any one or more of the provisions of this Bond Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Bond Ordinance or of the Bonds, but this Bond Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Bond Ordinance which validates or makes legal any provision of this Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Bond Ordinance and to the Bonds.

SECTION 1208. Execution of Documents. In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 1209. Recordation. A certified copy of this Bond Ordinance shall be filed and recorded as soon as possible in the Mortgage Records of the Parish of Bossier, State of Louisiana.

SECTION 1210. Effective Date. This Bond Ordinance shall become effective immediately upon its adoption.

SECTION 1211. Arbitrage. The Issuer covenants and agrees that, to the extent permitted by the laws of the State, it will comply with the requirements of the Internal Revenue Code of 1986 and any amendment thereto (the "Code") 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, 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 Issuer or any funds or accounts established within this Bond Ordinance 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.”

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.

SECTION 1212. Continuing Disclosure. Pursuant to the SEC Continuing Disclosure Rules, the Issuer covenants and agrees for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the Issuer (the “Annual Report”), and to provide notices of the occurrence of the events enumerated in Section 15 (c)(2-12) of the SEC Continuing Disclosure Rules, if material. The Annual Report will be filed by the Issuer with each Nationally Recognized Municipal Securities Information Repository (“NRMSIR”), and with the Louisiana State Information Depository (“Louisiana SID”), if any. Any notices of material events shall be filed with each NRMSIR or with the Municipal Securities Rulemaking Board (“MSRB”), and with the Louisiana SID, if any. The specific nature of the information to be contained in the Annual Report or the notice of material events shall be as more fully set forth in the Continuing Disclosure Certificate as set forth in the Official Statement as Appendix E, as the same may be amended from time to time in accordance with its terms. Failure to comply with the SEC Continuing Disclosure Rules shall not constitute an “event of default” under Article XI of this Ordinance, however any of the Owners of the Bonds may take such action or exercise such remedies as may be provided by law to enforce the obligations of the Issuer under the Continuing Disclosure Certificate.

SECTION 1213. Official Statement. The Issuer hereby approves the form and

content of the Preliminary Official Statement pertaining to the Bonds, as submitted to the Issuer, and hereby ratifies its prior use in connection with the sale of the Bonds. The Issuer further approves the form and content of the final Official Statement and hereby authorizes and directs the execution by the Mayor and City Clerk of the Governing Authority of the Issuer and delivery of such final Official Statement to the Underwriters for use in connection with the public offering of the Bonds.

### **ARTICLE XIII**

#### **SALE OF BONDS**

SECTION 1301. Sale of Bonds. The Bonds are hereby awarded to and sold to the Underwriters at a price of par, less Underwriters' discount of \$697,220.54, less original issue discount of \$1,127,798.15, including \$3,667,309.07 for bond insurance, and under the terms and conditions set forth in the Bond Purchase Agreement attached hereto as Exhibit B. After their execution and authentication by the Paying Agent, the Bonds shall be delivered to the Underwriters or their agents or assigns, upon receipt by the Issuer of the agreed purchase price. The Bond Purchase Agreement attached hereto as Exhibit B is hereby accepted and the Executive Officers are hereby authorized, empowered and directed to execute the Bond Purchase Agreement on behalf of the Issuer and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Issuer or deemed by them necessary or advisable to implement the Bond Ordinance or to facilitate the sale of the Bonds.

### **ARTICLE XIV**

#### **BOND INSURANCE REQUIREMENTS**

SECTION 1401. As long as any of the Bonds are outstanding, the following shall apply:

(1) Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service on the Bonds.

(2) Remedies of the Bondholders to include mandamus.

(3) No grace period for a covenant default shall exceed 30 days, nor be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults. Any acceleration of the Bonds or any annulment

thereof is subject to the prior written consent of the Insurer. Any amendment or supplement to the Bond Ordinance requiring consent of the Bondholders is also subject to written consent of the Insurer before it shall become effective. Any rating agency having a rating in effect with respect to the Bonds must receive notice of each such amendment or supplement to the Bond Ordinance requiring consent of the Bondholders and a copy thereof at least 15 days in advance of its becoming effective. The Insurer shall be provided with a full transcript of all proceedings relating to the execution of any such amendment or supplement.

(4) The Insurer shall be a third party beneficiary of the Bond Ordinance. The Insurer is a party in interest and is a party entitled to (i) give notice to the Issuer and the Paying Agent of the occurrence of an Event of Default and the Paying Agent is required to accept notice of default from the Insurer and (ii) direct the Paying Agent to intervene in judicial proceedings that affect the Bonds or the security therefore and (iii) direct the Paying Agent to initiate judicial proceedings to enforce the terms of the financing documents. For all purposes of the Bond Ordinance, in addition to receiving notice of default to Bondholders, the Insurer shall be deemed to be a Bondholder.

(5) Upon the occurrence of an extraordinary optional or special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer.

(6) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or the occurrence and continuance of an event which with notice or lapse of time or both would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(7) The rights granted to the Insurer under the Bond Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Except as set forth herein, any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Insurer, positive or negative, as to whether Bondholder consent is required in addition to consent

of the Insurer.

(8) Only (1) cash, (2) non-callable direct obligations of the United States of America (“Treasuries”), (3) evidences of ownership of proportionate interest in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) pre-refunded municipal obligations, rated “AAA” and Aaa” by S&P and Moody’s respectively, or (5) securities eligible for “AAA” defeasance under an existing criteria of S&P or any combination thereof, shall be authorized to be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

(9) To accomplish defeasance the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification”), (ii) an escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer, (iii) a opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Bond Ordinance and (iv) if there is a Trustee for the Bonds a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Trustee and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation no less than five business days prior to the funding of the escrow.

(10) Bonds shall be deemed “Outstanding” under the Bond Ordinance unless and until they are in fact paid and retired or the above criteria are met.

(11) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Bond Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Bond Ordinance. The Bond Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(12) Each of the Issuer and the Paying Agent covenant and agree to take such

action (including, applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to perfect or otherwise preserve the priority of the pledge of Trust Estate under applicable law.

(13) If, on the third business day prior to the related scheduled interest payment date or principal payment date (“Payment Date”) there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

(14) In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent shall authenticate and deliver to affected Bondholders who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered. The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its bonds as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Berkshire Hathaway Assurance Corporation, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent’s failure to so designate any payment or issue any replacement Bond shall have no

effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

(15) The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (hereinafter defined) and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

(16) Upon payment of a claim under the Insurance Policy the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to the Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything to the contrary otherwise set forth in the Bond Ordinance, and to the extent permitted by law, in the event amounts paid under the Insurance Policy are applied to claims for payment of principal of or interest on the Bonds, interest on such principal of and interest on such Bonds shall accrue and be payable from the date of such payment at the (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank or its successor at its principal office in the City of New York, as its prime or base lending rate plus 3% and (ii) the then applicable rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates.

(17) Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses, or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond

payment date shall promptly be remitted to the Insurer.

(18) The Insurer shall, to the extent it makes any payment of principal of (or, in the case of Capital Appreciation Bonds, accreted value) or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. The obligations to the Insurer shall survive discharge or termination of the rights of the recipients of such payments.

(19) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses which the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the reasonable pursuit of any remedies under the Bond Ordinance or any other Related Document or otherwise afforded by law or equity; (iii) any amendment, waiver or other action with respect to, or related to, the Bond Ordinance or any other Related Document whether or not executed or completed; (iv) the violation by the Issuer or the Obligor of any law, rule or regulation, or any judgment, order or decree applicable to it; (v) any advances or payments made by the Insurer to cure defaults of Issuer under the transaction documents; or (vi) any litigation or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Bond Ordinance or any other Related Document.

(20) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to payment of expenses of the Insurer or rebate only after the payment of debt service due and past due on the Bonds, together with replenishment of the Debt Service Reserve Fund.

(21) The Insurer shall be entitled to pay of interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Bond Ordinance, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(22) The notice address of the Insurer is: Berkshire Hathaway Assurance Corporation, 100 First Stamford Place, Stamford, Connecticut, 06902, Attention: General Counsel and Financial Guaranty Insurance Management; Re: Policy NO. 98FGA200027; Telephone: (203) 363-5200; Telecopier: (203) 363-5221. In each case in which notice or other communications refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(23) The Insurer shall be provided with the following information:

(i) Annual audited financial statements within 180 days after the end of the Issuer’s fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Bond Ordinance), and the Issuer’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds;

(iii) Notice of any default known to the Issuer within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “Insolvency Proceeding”);

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered under the terms of the Related Documents.

(24) Notwithstanding satisfaction of other conditions to the issuance of additional bonds contained in the Bond Ordinance, no such issuance may occur (1) should any Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) have occurred and be continuing unless such default shall be cured upon such issuance and (2) unless the Utilities Reserve Fund is fully funded at its requirement (including the new issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(25) No contract shall be entered into nor any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(26) If the proceeds of the Bonds include a refunding there shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto) or a certificate of discharge of the Paying Agent for the Refunded Bonds to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are Berkshire Hathaway Assurance Corporation-insured, at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Bond Insurer shall also receive (i) the verification letter, of which Berkshire Hathaway Assurance Corporation shall be an addressee, by Merrill Lynch, Pierce, Fenner & Smith, Incorporated and Crews & Associates, Inc., of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Bond Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto enforceable in accordance with its terms (such Escrow Deposit Agreement to provide that only with the Bond Insurer consent may an amendment occur). An executed copy of each of such opinion and reliance letter, if applicable, or Paying Agent's discharge certificate, as the case may be, shall be forwarded to the Insurer prior to delivery of the Bonds.

This Ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Larkin, Mr. Montgomery, Jr., Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones and Dr. Rogers

NAYS: None.

ABSENT: None.

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Scott Irwin, President

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Helen Thornton, City Clerk

**The following ordinance offered and adopted:**

**ORDINANCE NO. 111 OF 2008**

**AN ORDINANCE APPROVING A CONDITIONAL USE AT A B-3 LOCATION, 535 BENTON ROAD, BOSSIER CITY, LA, FOR ON-PREMISE CONSUMPTION OF LOW AND HIGH CONTENT ALCOHOL AT A PROPOSED RESTAURANT.**

**WHEREAS, JIN SOHN/KOBE'S has applied to the Bossier City-Parish, Metropolitan Planning Commission for a Conditional Use at a B-3 location, 535 Benton Rd., Bossier City, LA, for on-premise consumption of low and high content alcohol at a proposed restaurant, and**

**WHEREAS, a public hearing for the application was held on November 17, 2008, and**

**WHEREAS, the Planning Department has submitted the results of said public hearing, to the Mayor and the City Council of the City of Bossier City.**

**THE CITY COUNCIL OF THE CITY OF BOSSIER CITY HEREBY ORDAINS:**

**SECTION 1. That the Conditional Use for on-premise consumption of low and high content alcohol at a B-3 location, 535 Benton Rd., Bossier City, LA 71111 is hereby approved.**

**Motion was made by Mr. David Jones and seconded by Mr. Jeff Darby**

**to adopt the above ordinance. Upon the following vote, the ordinance was duly**

**adopted this 2nd day of December, 2008.**

**YEAS: Mr. Larkin, Mr. Montgomery, Jr., Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones and Dr. Rogers**

**NAYS: none**

**ABSTAIN: none**

**ABSENT: none**

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**SCOTT IRWIN, PRESIDENT**

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**HELEN THORNTON, CITY CLERK**

By: Mr. Darby

Motion made to introduce Ordinance to declare certain movable equipment owned by the City of Bossier City as surplus to the City's need and provide for salvage and disposal according to law.

Seconded by Dr. Rogers

Vote in favor of motion is unanimous.

By: Dr. Rogers

Motion made to approve report of Change Order for Centurytel Arena repair, a decrease of \$95,810.00, total of contract with decrease \$551,786.00

Seconded by Mr. Jones

Vote in favor of motion is unanimous.

By: Dr. Rogers

Motion made to approve report of Change Order for Bossier Parks and Recreation Baseball/Softball field lighting, an increase of \$62,821.61, total of contract with increase \$1,757,821.61

Seconded by Mr. Jones

Vote in favor of motion is unanimous

By: Mr. Jones

Motion made to approve report of Change Order for concrete repairs city wide for 2008, an increase of \$34,405.12, total of contract with increase \$1,056,805.12

Seconded by Dr. Rogers

Vote in favor of motion is unanimous.

**The following Resolution offered and adopted:**

**Resolution No. 22 Of 2008**

**A RESOLUTION CLARIFYING THE TEMPORARY ZONING MORATORIUM WITHIN THE NATIONAL CYBER RESEARCH PARK OVERLAY DISTRICT TO PROVIDE FOR CASE BY CASE REVIEW OF BUILDING PERMITS AND CERTIFICATES OF OCCUPANCY PRIOR TO ISSUANCE.**

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**WHEREAS**, the National Cyber Research Park is of great importance not only to the safety, general welfare, and economic opportunity of the citizens of Bossier City and Bossier Parish, but also to the security and defense of the United States; and

**WHEREAS**, future development within the limits of the National Cyber Research Park Overlay District will have an impact upon the essential attributes of the Research Park which the proposed overlay district seeks to protect and enhance; and

**WHEREAS**, the City Council of the City of Bossier City, while cognizant of the rights and desires of property owners in the overlay district, intends to carefully study the National Cyber Research Park Overlay District with a goal of protecting the overall safety, general welfare, and economic opportunity of all citizens of Bossier City and Bossier Parish, both within and outside of the overlay district; and

**WHEREAS**, potential harm may result to the intended purposes of the overlay district if new building permits or certificates of occupancy are issued before completion of the City Council's deliberations and planned adoption of the National Cyber Research Park Overlay District without being subject to case-by-case review to insure compatibility with the overall goals of the National Cyber Research Park.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Bossier City in due, legal and regular session convened, that it hereby finds it in the public interest to clarify that the temporary zoning moratorium within the overlay district area, as adopted by the Bossier City – Parish MPC June 16, 2008, covers the issuance of all building permits and certificates of occupancy, except those issued following a case-by-case review by the City of Bossier City to insure compatibility with the goals of the National Cyber Research Park.

**BE IT FURTHER RESOLVED** that the limits of the National Research Park Overlay District area are shown on the exhibit attached hereto.

**BE IT FURTHER RESOLVED** that the temporary zoning moratorium, as clarified herein, shall remain in place until final action by the City Council of the City of Bossier city on the National Research Park Overlay District, but in no event later than December 31, 2009.

**BE IT FURTHER RESOLVED** that if any provision of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, terms, or applications of this resolution which can be given effect without the invalid provisions, items or applications and to this end the provisions of this Resolution are hereby declared severable.

**BE IT FURTHER RESOLVED** that all resolutions or parts thereof in conflict herewith are hereby repealed.

The above and foregoing Resolution was read in full at open and legal session convened, was on motion of Dr. James Rogers, and seconded by Mr. Jeff Darby, and adopted on the 2nd, day of December, 2008, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Jr., Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones and Dr. Rogers

NAYS: none

ABSENT: none

ABSTAIN: none

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Scott Irwin, President

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Helen Thornton, City Clerk

There being no further business to come before this meeting, meeting adjourned at 3:39 PM by President Irwin.

Respectfully submitted:

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HELEN THORNTON

CITY CLERK

Publish: December 12, 2008

Bossier Press Tribune