

**PROCEEDINGS OF THE CITY COUNCIL OF BOSSIER CITY  
STATE OF LOUISIANA TAKEN AT THE REGULAR MEETING  
NOVEMBER 2, 2010**

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, November 2, 2010 at 3:00pm

Invocation was led by Council Member Scott Irwin

Pledge of Allegiance led by Council Member James Knight

Roll Call as Follows:

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

Absent: none

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

By:

Motion made to approve minutes from the Special Meeting October 15, 2010 and Regular Meeting October 19, 2010 and dispense with the reading.

Seconded by Mr. Williams

Vote in favor of motion is unanimous.

By: Mr. Williams

Motion made to approve agenda

Seconded by Mr. Knight

Vote in favor of motion is unanimous.

**Ceremonial Matters/Recognition of Guests:**

Mayor Walker presented a plaque to Mollie Corbitt, a resident of Bossier City, she sang "God Bless American" at the World Series in Dallas, Texas, Monday, November 1, 2010.

The following Ordinance offered and adopted:

**ORDINANCE NO. 113 OF 2010**

**AN ORDINANCE TO APPROPRIATE \$450,000 TO  
COME FROM THE SALES TAX CAPITAL  
IMPROVEMENTS FUND TO BE USED TO REPLACE  
A SECTION OF THE KERR SCHOOL DITCH/CULVERT  
WHICH RUNS FROM NORTHGATE DRIVE IN A  
NORTHEASTERLY DIRECTION TO THE INTERSECTION  
WITH THE BOSSIER DITCH.**

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**WHEREAS,** approximately 950 feet of 84-inch culvert following the route of the Kerr School Ditch running from Northgate Drive to the Bossier Ditch has settled and collapsed and is in danger of a total failure; and

**WHEREAS**, \$450,000 is available in the Sales Tax Capital Improvement Fund to be used to replace/repair this section of the Kerr School Ditch/Culvert.

**NOW, THEREFORE, BE IT ORDAINED** that the City Council of Bossier City, in regular session convened, does hereby appropriate \$450,000 from the Sales Tax Capital Improvements Fund to be used to replace a section of the Kerr School Ditch/Culvert, which runs from Northgate Drive in a northeasterly direction to the intersection with the Bossier Ditch. .

**BE IT FURTHER ORDAINED**, that the Mayor is hereby authorized to sign any and all instruments 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 Mr. Darby and seconded by Mr. Williams, and adopted on the 2nd day of November, 2010, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

NAYS: none

ABSENT: none

ABSTAIN: none

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David Jones, President

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Helen Thornton, City Clerk

**By: Mr. Irwin**

**Motion made to introduce Ordinance ratifying, authorizing, and approving the engagement of KPMG, LLP to provide professional services to audit the financial statements of the City of Bossier; Centurytel Arena Fund; Fire and Police Pension and Relief Fund.**

**Seconded by Mr. Jones**

**No Public Comment**

**Vote in favor of motion is unanimous.**

The following Resolution offered and adopted:

**RESOLUTION NO. 41 OF 2010**

**A RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT AND MAINTAIN THE IMPROVEMENTS MADE TO THE 2.1 MILE SECTION OF STOCKWELL ROAD FROM THE U.S. HIGHWAY 80**

**INTERSECTION.**

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WHEREAS, Bossier City was approved to participate in a Federal Stimulus Project to rebuild Stockwell Road (2.1 mile section North from the U.S. Highway 80 Intersection); and

WHEREAS, Resolution 22 of 2009 authorized the Mayor to enter into a city/state agreement for State Project No. 742-08-0007; and

WHEREAS, the city/state project has been satisfactorily completed.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Bossier City, in regular session convened, that the City of Bossier City hereby accepts the improvements made to a 2.1 mile section of Stockwell Road north from the U.S. Highway 80 Intersection and that the City of Bossier City will maintain said improvements.

BE IT FURTHER RESOLVED that the Mayor is hereby authorized to sign any and all documents in connection with the furtherance of this Resolution.

The above and foregoing Resolution was read in full at open and legal session convened, was on motion of Mr. Williams, and seconded by Mr. Jones, and adopted on the 2nd day of November, 2010, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

NAYS: none

ABSENT: none

ABSTAIN: none

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David Jones, President

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Helen Thornton, City Clerk

**The following Resolution offered and adopted:**

**Resolution No.42 Of 2010**

**A RESOLUTION AUTHORIZING THE HIRING OF A CHIEF ADMINISTRATIVE OFFICER TO THE MAYOR.**

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**WHEREAS**, Ordinance No. 2 of 2010 implemented a hiring freeze requiring Bossier City Council approval for the hiring of any personnel;

**WHEREAS**, the Chief Administrative Officer will be leaving on December 1, 2010 and advertising and interviews need to be conducted to find a qualified replacement;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of Bossier City, Louisiana, in regular and legal session convened, that the administration is authorized to hire a person to fill the position Chief Administrative Officer to the Mayor.

The above and foregoing Resolution was read in full at open and legal session convened, was on motion of Mr. Jones, and seconded by Mr. Knight, and adopted on the 2nd, day of November, 2010, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

NAYS: none

**ABSENT: none**

ABSTAIN: none

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David Jones, President

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Helen Thornton, City Clerk

The following Resolution offered and adopted:

**RESOLUTION NO. 43 OF 2010**

**A RESOLUTION TO ADOPT THE 2010 MUNICIPAL WATER POLLUTION PREVENTION PLAN FOR THE RED RIVER WASTE TREATMENT FACILITY**

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of Bossier City,

Louisiana, in regular session convened, hereby adopts 2010 Municipal Pollution Prevention Plan

for the Red River Waste Treatment Facility.

The above and foregoing Resolution was read in full at open and legal session convened,

was on motion of Mr. Irwin, and seconded by Mr. Darby, and adopted on the 2<sup>nd</sup> day of November, 2010, by the following vote:

AYES: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

NAYS: none

ABSENT: none

ABSTAIN: none

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David Jones, President

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Helen Thornton, City Clerk

On Motion of Mr. Williams, seconded by Mr. Jones, the following resolution was offered and introduced:

**SUPPLEMENTAL RESOLUTION NO. 44 OF 2010**

**A SUPPLEMENTAL RESOLUTION DESIGNATING \$22,000,000 PRINCIPAL AMOUNT OF UTILITIES REVENUE BONDS, 2010 SERIES OF THE CITY OF BOSSIER CITY, LOUISIANA, AS BUILD AMERICA BONDS AND PROVIDING FOR OTHER MATTERS RELATED THERETO.**

**WHEREAS**, the City of Bossier City, Louisiana (the “Issuer”) is a duly created and validly existing body corporate, politic and political subdivision of the State of Louisiana, under and pursuant to the provisions of Article VI, § 2 of the Louisiana Constitution of 1974, as amended, and a Charter adopted by the Issuer July 1, 1977, as amended; and

**WHEREAS**, the Issuer, 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 determined that there is a substantial need within the Issuer for making additions, improvements, extensions, renewals, replacements and/or repairs to the sewer portion of the Utilities System, and that issuance of its Utilities Revenue Bonds will assist the Issuer in acquisition, construction and improvement of the sewer portion of the Utilities System; and

**WHEREAS**, pursuant to the provisions of Amended and Supplemental Resolution No. 33 of 2009, the Issuer authorized development of a financing under the authority of Part XIII of Chapter 4 of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “Act”), involving issuance of its revenue bonds, in an amount not to exceed \$22,000,000, to be designated Utilities Revenue Bonds, 2010 Series (the “Bonds”), of the Issuer, to construct, acquire, extend or improve any work of public improvement, including but not limited to its Utility System, including such treatment facilities as may be required, with all necessary equipment and installations in connection therewith (the “Project”), the provision of which, to such extent and in such manner as is not or hereafter contemplated, shall be deemed an authorized public function under the provisions of the Act; and

**WHEREAS**, on December 1, 2009, the Issuer held an open and public hearing to allow all interested persons to express their views regarding the proposed issuance of the Bonds, at which hearing no one appeared before the Issuer’s City Council to comment, either pro or con, and no petition was presented to the Issuer signed by not less than five (5%) of the electors of the Issuer voting at the last special or general election, objecting to the issuance of the Bonds; and

**WHEREAS**, on July 6, 2010, the Issuer adopted General Bond Ordinance No. 67 which provided for issuance of future indebtedness of the Issuer secured by revenues produced by the Utilities System; and

**WHEREAS**, on September 21, 2010, the Issuer adopted its First Supplemental Bond Ordinance No. \_\_\_\_, which supplemented and amended General Bond Ordinance No. 67 and provided for certain terms of the Bonds; and

**WHEREAS**, the Issuer now wishes to designate the Bonds as Build America Bonds pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended; and

**NOW, THEREFORE, BE IT RESOLVED** by the City Council, governing authority of the Issuer, as follows:

**SECTION 1.** The Issuer hereby irrevocably designates the Bonds as Build America Bonds pursuant to the provisions of Section 54AA of the Internal Revenue Code of 1986, as amended.

**SECTION 2.** The Issuer does hereby revise, amend and supplement the following definitions contained within General Bond Ordinance No. 67 of 2010, as follows:

“Executive Officers” means, collectively, the Mayor, Clerk of the City Council and the Director of Finance of the City.

“Net Revenues” means, in addition to those provisions contained within General Bond Ordinance No. 67 of 2010, any Direct Subsidy Payment from the United States Department of the Treasury, or any other similar payment to the City.

**SECTION 3.** If any provision, item or application of this Resolution or the applications thereof are held invalid, such invalidity shall not affect other provisions, items or applications 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.

**SECTION 4.** This Resolution shall become effective immediately upon its adoption.

**SECTION 5.** All Resolutions or Ordinances in conflict herewith are hereby repealed, to the extent of such conflict.

The resolution having been submitted to a vote the vote thereon was as follows:

**YEAS:** Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

**NAYS:** none

**ABSENT:** none

This resolution was declared adopted on this 2<sup>nd</sup> day of November, 2010.

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**DAVID JONES**, President

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**HELEN THORNTON**, Clerk of Council

(Other business not pertinent to the present excerpt may be found of record in the official minute book.)

Upon motion duly made and unanimously carried, the meeting was adjourned.

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**DAVID JONES**, President

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**HELEN THORNTON**, Clerk of Council

**STATE OF LOUISIANA**

**PARISH OF BOSSIER**

I, **HELEN THORNTON**, certify that I am the duly qualified and acting Clerk of the City Council of Bossier City, Louisiana.

I further certify that the foregoing is a true and correct copy of an excerpt from the minutes of a regular meeting of the City Council, held on November 2, 2010, and of a resolution adopted at said meeting, as said minutes and resolution appear officially of record in my possession.

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the City of Bossier City, Louisiana, on this 2<sup>nd</sup> day of November, 2010.

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**HELEN THORNTON**, City Clerk

[S E A L]

The following resolution, having been introduced at a duly convened meeting on November 2, 2010, was offered for final adoption by Mr. Jones and seconded by Mr. Williams:

**RESOLUTION NO. 45 OF 2010**

A resolution providing certain terms for issuance of \$21,810,000 of Public Improvement Sales Tax Refunding

Bonds, Series 2010, of the City of Bossier City, State of Louisiana, in connection with the authorization and issuance of such bonds; and providing for other matters in connection therewith.

WHEREAS, at a public meeting of the City Council of the City of Bossier City, State of Louisiana (“Issuer”) held on October 5, 2010, Ordinance No. 102 of 2010 (“Ordinance”), was called up for public hearing at which time all those present and desiring to be heard on the ordinance were given the opportunity to do so, and, with no comments having been presented, the City Council of the Issuer adopted the Ordinance; and

WHEREAS, in accordance with the provisions of the Ordinance and the terms contained within this Resolution, the Issuer desires to issue its \$21,810,000 Public Improvement Sales Tax Refunding Bonds, Series 2010 (“Bonds”); and

WHEREAS, the provisions of this Resolution shall complete the term and provisions of the Bonds described in the Ordinance,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bossier City, State of Louisiana, acting as the governing authority of the Issuer, that:

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

SECTION 1.1 Definitions. The following terms shall have the following meanings, both within this Resolution as well as in the Ordinance, unless the context otherwise requires:

“**Insurer**” shall mean Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) A New York stock insurance company, or any successor thereto or assignee thereof.

“**Insurance Policy**” shall mean the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“**Reserve Fund Instrument**” shall mean an irrevocable letter of credit issued by a bank or surety bond issued by an insurance company approved in writing by the Insurer, including without limitation, the Reserve Fund Surety.

**“Reserve Fund Requirement”** shall mean the highest combined principal and interest requirements in any succeeding Fiscal Year on the Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

**“Reserve Fund Surety”** shall mean the Municipal Bond Debt Service Reserve Insurance Policy issued by the Insurer, which shall meet the requirements of Reserve Fund Requirement.

**ARTICLE II**  
**AUTHORIZATION AND ISSUANCE OF BONDS**

SECTION 2.6. Denominations, Dates, Maturities and Interest. The Bonds shall be in fully registered form, shall be dated November 4, 2010, shall be in the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall mature on December 1 in the years and in the principal amounts and shall bear interest, payable on the Interest Payment Dates, at the rates per annum, as follows:

DATE	PRINCIPAL	INTEREST
<u>(Dec.1)</u>	<u>PAYMENT</u>	<u>RATE</u>
2011	\$ 140,000	2.000 %
2012	1,635,000	2.000%
2013	1,745,000	3.000%
2014	1,790,000	3.000%
2015	1,835,000	3.000%
2016	1,880,000	4.000%
2017	1,950,000	4.000%
2018	2,020,000	4.000%
2019	2,090,000	4.000%
2020	2,165,000	4.000%
2021	2,240,000	4.500%
2022	2,320,000	4.000%

**ARTICLE IV**

## PAYMENT OF BONDS; DISPOSITION OF FUNDS

SECTION 4.3 Reserve Fund. The maintenance of the Sales Tax Bond Reserve Fund (hereinafter called the “Bond Reserve Fund”), established and maintained pursuant to the ordinances issuing the Outstanding Parity Bonds, by depositing Bond proceeds upon delivery of the Bonds with the regularly designated fiscal agent of the Issuer so that an amount equal to the Reserve Fund Requirement is on deposit therein. The money in said Bond Reserve Fund is to be retained solely for the purpose of paying the principal of and the interest on the Bonds and Outstanding Parity Bonds as to which there would otherwise be default. In the event that Additional Parity Bonds are issued hereafter in the manner provided by this resolution or in the Bond Ordinance, there shall be transferred from said Sales Tax Fund into said Bond Reserve Fund monthly or annually, or paid from the proceeds of such Additional Parity Bonds, such amounts (as may be designated in the ordinance authorizing the issuance of such Additional Parity Bonds) as will increase the total amount on deposit in said Bond Reserve Fund within a period not exceeding five (5) years to a sum equal to the Reserve Fund Requirement. If at any time it shall be necessary to use moneys in the Bond Reserve Fund for the purpose of paying principal or interest on the Bonds and Outstanding Parity Bonds as to which there would otherwise be default, or if there otherwise would be a deficiency therein for any reason, then the deficiency shall be replaced from the avails or proceeds of the Tax first thereafter received not hereinabove required to pay the costs and expenses of collecting the Tax or to pay current principal and interest requirements, it being the intention hereof that there shall as nearly as possible be at all times in the Bond Reserve Fund the amount hereinabove specified.

The Reserve Fund Requirement mandated in the Bond Ordinance and hereunder may be maintained in the form of a Reserve Fund Instrument or a Reserve Fund Surety meeting requirements set forth, and shall be subject to the approval of the Insurer, as follows:

A Reserve Fund Surety or Reserve Fund Instrument issued to the Paying Agent, as an agent of the owners of the Bonds, by the Insurer or by a company licensed to issue an insurance policy guaranteeing timely payment of the principal of, interest on and premium, if any, on the Bonds and on any series of Additional Bonds that are tax-exempt obligations and for which there shall be a Reserve Fund Requirement, provided the licensed company issuing Reserve Fund Surety or Reserve Fund Instrument must have a claims paying ability of “AAA” by S&P and “Aaa” by Moody’s at the time of issuance of the Reserve Fund Surety or Reserve Fund Instrument.

## ARTICLE V

### REDEMPTION OF BONDS

SECTION 5.1. Optional Redemption of Bonds. The Bonds shall not be subject to redemption prior to maturity.

## ARTICLE XI

## MISCELLANEOUS

SECTION 11.12. Official Statement. The Issuer hereby approves the form and content of the Preliminary Official Statement dated October 19, 2010, 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 the City Clerk of the Issuer and delivery of such final Official Statement to the Underwriter for use in connection with the public offering of the Bonds.

## ARTICLE XII

### UNDERWRITING OF BONDS

Section 12.1. Underwriting. The Bonds are being purchased by Stephens Inc., at an aggregate purchase price of \$23,204,291, which is par of \$21,810,000 plus reoffering premium of \$1,568,771, less Underwriter's discount of \$174,480, and under the terms and conditions set forth in the Bond Purchase Agreement. After their execution and authentication by the Paying Agent, the Bonds shall be delivered to the Underwriter or its agents or assigns, upon receipt by the Issuer of the agreed purchase price. The Bond Purchase Agreement 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 XIII

### PROVISIONS RELATING TO INSURER

SECTION 13.1. For so long as the Bonds are outstanding, and notwithstanding anything to the contrary set forth in the Bond Ordinance, the following shall apply:

- (1) the prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund. 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 due on the Bonds and parity bonds payable from the Debt Service Reserve Fund.
- (2) the Insurer shall be deemed to be the sole holder of the Insured 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 pertaining to (i) defaults and remedies and (ii) the duties and

obligations of the Paying Agent. Remedies granted to the Bond holders shall expressly include mandamus.

- (3) If acceleration is permitted under the Bond Ordinance, the maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.
- (4) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.
- (5) The Insurer shall be included as a third party beneficiary to the Bond Ordinance.
- (6) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Bond Ordinance which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.
- (7) Any amendment, supplement, modification to, or waiver of, the Bond Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bond owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (8) 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. 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 Bond holders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bond owners or any other person is required in addition to the consent of the Insurer.
- (9) only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests 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) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody’s respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

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 (“Accountant”) 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) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Bond Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

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.

- (10) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Bond Ordinance and the Bonds relating to such payments 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.
- (11) Each of the Issuer and Paying agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.
- (12) 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 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 filing in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

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 books as a reduction in the principal amount of Bonds registered to the then current Bond holder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), 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.

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

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bond holders 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 Bond holders and shall deposit any such amount in the Policy Payments account and distribute such amount only for purposes of making the payment for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bond holders 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 transfers used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the “Insurer Advances”); and (ii) interest on such

Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “Insurer Reimbursement Amounts”). “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

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 be promptly be remitted to the Insurer.

- (13) The insurer shall, to the extent it makes any payment of principal of 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. Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (14) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that 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 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, or (iv) any litigation or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than the costs 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.
- (15) After payment of reasonable expense of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required

to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

- (16) The Insurer shall be entitled to pay principal or 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.
- (17) The notice address of the Insurer is: Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), 31 West 52<sup>nd</sup> Street, New York, New York 10019, Attention: Managing Director - Surveillance, Re: Policy No. \_\_\_\_\_, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."
- (18) The Insurer shall be provided with the following information by the Issuer or Paying Agent, as the case may be:
  - (i) Annual audited financial statements within 150 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 Debt Service Reserve Fund Requirement and (ii) withdrawals in connection with a refunding of Bonds;
  - (iii) Notice of any default known to the Paying Agent or 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, supplement or waiver to the Related Documents; and

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

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

- (19) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (20) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.
- (21) The Issuer shall notify the the Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.
- (22) Notwithstanding satisfaction of other conditions to the issuance of Additional Bonds contained in the Bond Ordinance, no such issuance may occur (i) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (ii) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (25) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Ordinance would adversely affect the security for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.
- (26) 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.
- (27) If the Bonds are issued for refunding purposes, 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 insured by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance, Inc.), at least three business days prior to the

proposed date for delivery of the Policy with respect to the Refunding Bonds, the Insurer shall also receive (i) the verification letter, of which the Insurer shall be an addressee, by an independent firm of certified public accounts which is either nationally recognized or otherwise acceptable to the Insurer, 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 shall provide that no amendments are permitted without the prior written consent of the Insurer). 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.

- (28) Any interest rate exchange agreement ("Swap Agreement") entered into by the Issuer shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Issuer shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Issuer to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

## ARTICLE XIV

### PROVISIONS RELATING TO RESERVE FUND SURETY

SECTION 14.1. For so long as the Bonds are outstanding, and notwithstanding anything to the contrary set forth in the Bond Ordinance, the following shall apply:

- (A) The Issuer shall repay any draws under the Reserve Fund Surety and pay all related reasonable expenses incurred by the Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Insurer at the Late Payment Rate. “Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such national bank as the Insurer shall specify.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, “Policy Costs”) shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Insurer on account of principal due, the coverage under the Reserve Fund Surety will be increased by a like amount, subject to the terms of the Reserve Policy.

All cash and investments in the debt service reserve fund established for the Bonds (the “Reserve Fund”) shall be transferred to the debt service fund for payment of debt service on Bonds before any drawing may be made on the Reserve Policy or any other credit facility credited to the Reserve Fund in lieu of cash (“Credit Facility”). Payment of any Policy Costs shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investment in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro-rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, “available coverage” means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

- (B) If the Issuer shall fail to pay any Policy Costs in accordance with the requirements of Paragraph 14.1 (A) hereof, the Insurer shall be entitled to exercise any and all legal and equitable remedies available to

it, including those provided under the Bond Ordinance other than (i) acceleration of the maturity of the Bonds or (ii) remedies which would adversely affect owners of the Bonds.

- (C) The Bond Ordinance shall not be discharged until all Policy Costs owing to the Insurer shall have been paid in full. The Issuer's obligation to pay such amounts shall expressly survive payment in full of the Bonds.
- (D) The additional bonds test and the rate covenant in the Bond Ordinance shall expressly provide for at least one times coverage of the Policy Costs then due and owing.
- (E) The Bond Ordinance shall require the Trustee to ascertain the necessity for a claim upon the Reserve Fund Surety in accordance with the provisions of paragraph 14.1(A) hereof and to provide notice to the Insurer in accordance with the terms of the Reserve Fund Surety at least five business days prior to each date upon which interest or principal is due on the Bonds. Where deposits are required to be made by the Issuer with the Trustee to the debt service fund for the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Insurer of any failure of the Issuer to make timely payment in full of such deposits within two business days of the date due.
- (F) The Reserve Fund Surety shall expire on the earlier of the date on which the Bonds are no longer outstanding and the final maturity date of the Bonds.

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

AYEAS: Mr. Larkin, Mr. Montgomery, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Jones, Mr. Knight

NAYS: none

ABSENT: none

And the Resolution was declared adopted on this, the 2<sup>nd</sup> day of November, 2010.

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HELEN THORNTON  
City Clerk

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DAVID JONES  
President of the Council

(Other business not pertinent to the present excerpt may be found of record in the official minute book)

Upon motion duly made and unanimously carried, the meeting was adjourned.

/s/ David Jones  
DAVID JONES, President

/s/ Helen Thornton  
HELEN THORNTON  
City Clerk

STATE OF LOUISIANA

PARISH OF BOSSIER

I, the undersigned City Clerk of the City of Bossier City, State of Louisiana, do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by the City Council of said City on November 2, 2010, providing certain terms for issuance of \$21,810,000 of Public Improvement Sales Tax Refunding Bonds, Series 2010, of the City of Bossier City, State of Louisiana; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said City at Bossier City, Louisiana, on this, the 2<sup>nd</sup> day of November, 2010.

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HELEN THORNTON  
City Clerk

[S E A L]

Mr. Darby has requested a status update on the Water Treatment Plant project from Manchac Consulting Firm.

There being no further business to come before this meeting, meeting adjourned at 3:19PM by President Jones.

Helen Thornton

City Clerk

Publish: November 12, 2010

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