

PROCEEDINGS OF THE CITY COUNCIL OF BOSSIER CITY
STATE OF LOUISIANA TAKEN AT THE SPECIAL MEETING
SEPTEMBER 9, 2014

The City Council of the City of Bossier City, State of Louisiana, met in Special Session in Council Chambers, 620 Benton Road, Bossier City, Louisiana, September 9, 2014, at 3:05 PM

Invocation was given by Council Member Jeffery Darby

Pledge of Allegiance led by Council Member Jeff Free

Roll Call as follows:

Present: Honorable Councilor Timothy Larkin, President, Honorable Councilors, David Montgomery, Jr., Scott Irwin, Jeffery Darby, Don Williams, Jeff Free and Thomas Harvey

Also Present: City Attorney Jimmy Hall and City Clerk Phyllis McGraw

By: Mr. Irwin

Motion to approve agenda.

Seconded by Mr. Williams

No Comment

Vote in favor of motion is unanimous

Bossier City, Louisiana

September 9, 2014

The City Council of the City of Bossier City, Louisiana met in special public session at 3:00 o'clock p.m. on Tuesday, September 9, 2014, at the regular meeting place of said City Council in the Council Chambers located at 620 Benton Road, Bossier City, Louisiana, pursuant to the provisions of written notice given to each and every member thereof and duly posted in the manner required by law.

Tim Larkin, Council President, called the meeting to order and on roll call, the following members were present: Mr. Montgomery, Jr., Mr. Larkin, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Free and Mr. Harvey

ABSENT: none

The following ordinance having been introduced at a meeting held on August 26, 2014, notice of its introduction having been published in the official journal and a public hearing having been held thereon on September 9, 2014, was offered for final adoption by Mr. Don Williams and seconded by Mr. Scott Irwin, was adopted by the following vote:

YEAS: Mr. Montgomery, Jr., Mr. Larkin, Mr. Irwin, Mr. Darby, Mr. Williams, Mr. Free and Mr. Harvey

NAYS: none

FOURTH SUPPLEMENTAL BOND ORDINANCE
NO. 73 OF 2014

A SUPPLEMENTAL BOND ORDINANCE AUTHORIZING ISSUANCE OF NOT EXCEEDING ONE HUNDRED TWENTY-TWO MILLION DOLLARS (\$122,000,000) OF UTILITIES REVENUE REFUNDING BONDS, SERIES 2014, OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA, IN ACCORDANCE WITH THE TERMS OF A GENERAL BOND ORDINANCE ADOPTED ON JULY 6, 2010, FOR THE PURPOSE OF DEFEASING AND ADVANCE REFUNDING ITS OUTSTANDING UTILITIES REVENUE BONDS, SERIES 2008; PRESCRIBING THE FORM, FIXING THE DETAILS AND PROVIDING FOR 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 “City”), after examining available data, has determined that there is substantial need for advance refunding and defeasing the outstanding Utilities Revenue Bonds, Series 2008 (the “2008 Bonds”), in accordance with the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the “Act”); and

WHEREAS, the City now owns and operates a wastewater treatment system and water utility (the “System” or “Utility System”) as a revenue producing public utility; and

WHEREAS, upon issuance of the bonds provided for in this Fourth Supplemental Bond Ordinance, the City will have outstanding the following notes, bonds, or other obligations payable from a pledge and dedication of the income and revenues of the System:

Utilities Revenue Bonds, Series 2010, dated November 10, 2010, maturing on October 1 of the years 2014 to 2031, inclusive, bearing interest at the rate of 0.45%, plus a DEQ Administrative Fee of 0.50% per annum, being the outstanding bonds of an issue of not exceeding Twenty-Two Million Dollars (\$22,000,000), issued pursuant to the provisions of Part XIII, Chapter 4, Subtitle II, Title 39 of the Louisiana Revised Statutes of 1950, as amended, by virtue of General Bond Ordinance No. 67 of 2010, adopted by the City Council on July 6, 2010, and First Supplemental Bond Ordinance No. 89 of 2010, adopted by the City Council on September 21, 2010;

Utilities Revenue Refunding Bonds, Series 2010, dated December 15, 2010, maturing October 1 of the years 2014 to 2022, inclusive, bearing interest at the rate of 2.53% per annum, being the outstanding bonds of an issue of Thirteen Million Five Hundred Thousand Dollars (\$13,500,000), issued pursuant to the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, by virtue of Ordinance No. 101 of 2010 adopted by the City Council on October 5, 2010, payable from a pledge and dedication of the income and revenues of the Utility System;

Utilities Revenue Refunding Bonds, Series 2012, dated July 16, 2012, maturing October 1 of the years 2014 to 2019, inclusive, bearing interest at the rate of 2.09% per annum, being the outstanding bonds of an issue of Four Million Six Hundred Forty-Five Thousand Dollars (\$4,645,000), issued pursuant to the provisions of Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, by virtue of Ordinance No. 48 of 2012 adopted by the City Council on July 3, 2012, payable from a pledge and dedication of the income and revenues of the Utility System;

Utilities Revenue Bonds, Series 2014, dated August 12, 2014, maturing on October 1 of the years 2015 to 2043, inclusive, bearing interest at the rates of 2.00% to 5.00%, being the outstanding bonds of an issue of Twenty-Two Million Dollars (\$22,000,000), issued pursuant to the provisions of Part XIII, Chapter 4, Subtitle II, Title 39 of the Louisiana Revised Statutes of 1950, as amended, by virtue of General Bond Ordinance No. 67 of 2010, adopted by the City Council on July 6, 2010, and Third Supplemental Bond Ordinance No. 56 of 2014, adopted by the City Council on July 15, 2014; and

Taxable Utilities Revenue Bonds, Series 2014, dated August 28, 2014, maturing October 1 of the years 2015 to 2034, inclusive, bearing interest at the rate of 0.45%, plus a DEQ Administrative Fee of 0.50% per annum (the “2014 Taxable Bonds”), being the outstanding bonds of an issue of not exceeding Ten Million Dollars (\$10,000,000), issued pursuant to the provisions of Part XIII, Chapter 4, Subtitle II, Title 39 of the Louisiana Revised Statutes of 1950, as amended, by virtue of General Bond Ordinance No. 67 of 2010, adopted by the City Council on July 6, 2010, and Second Supplemental Bond Ordinance No. 38 of 2014, adopted by the City Council on May 6, 2014;

(collectively, the “Parity Bonds”);

WHEREAS, on July 6, 2010, this City Council (the “Governing Authority”) adopted General Bond Ordinance No. 67 of 2010 entitled: “A GENERAL BOND ORDINANCE AUTHORIZING ISSUANCE FROM TIME TO TIME OF WASTEWATER REVENUE BONDS OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA; PRESCRIBING THE FORM AND CERTAIN TERMS AND CONDITIONS OF SAID BONDS; PROVIDING FOR PAYMENT THEREOF IN PRINCIPAL AND INTEREST; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH” (the “General Bond Ordinance”), which authorized issuance of bonds from time to time for the aforesaid purposes; and

WHEREAS, on September 21, 2010, this Governing Authority adopted First Supplemental Bond Ordinance No. 89 of 2010 entitled: “A SUPPLEMENTAL BOND ORDINANCE AUTHORIZING THE ISSUANCE OF NOT EXCEEDING TWENTY-TWO MILLION DOLLARS (\$22,000,000) OF UTILITIES REVENUE BONDS, SERIES 2010, OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA, IN ACCORDANCE WITH THE TERMS OF A GENERAL BOND ORDINANCE ADOPTED ON JULY 6, 2010; PRESCRIBING THE FORM, AND CERTAIN TERMS AND CONDITIONS OF SAID BONDS; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH” (the “First Supplemental Bond Ordinance”); and

WHEREAS, on May 6, 2014, the Governing Authority adopted Second Supplemental Bond Ordinance No. 38 of 2014 entitled: “A SUPPLEMENTAL BOND ORDINANCE AUTHORIZING ISSUANCE OF NOT EXCEEDING TEN MILLION DOLLARS (\$10,000,000) OF TAXABLE UTILITIES REVENUE BONDS, SERIES 2014, OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA, IN ACCORDANCE WITH THE TERMS OF A GENERAL BOND ORDINANCE ADOPTED ON JULY 6, 2010; PRESCRIBING THE FORM, AND CERTAIN TERMS AND CONDITIONS OF SAID BONDS AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH” (the “Second Supplemental Bond Ordinance”); and

WHEREAS, on July 15, 2014, the Governing Authority adopted Third Supplemental Bond Ordinance No. 56 of 2014 entitled: “A SUPPLEMENTAL BOND ORDINANCE AUTHORIZING ISSUANCE OF TWENTY-TWO MILLION DOLLARS (\$22,000,000) OF UTILITIES REVENUE BONDS, SERIES 2014, OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA, IN ACCORDANCE WITH THE TERMS OF A GENERAL BOND ORDINANCE ADOPTED ON JULY 6, 2010, 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 PAYMENT OF PRINCIPAL OF AND INTEREST ON SAID BONDS AND FOR THE RIGHTS OF THE OWNERS THEREOF; APPROVING THE OFFICIAL STATEMENT; AWARDED THE BONDS TO THE PURCHASER THEREOF; PRESCRIBING THE FORM, AND CERTAIN TERMS AND CONDITIONS OF SAID BONDS AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH” (the “Third Supplemental Bond Ordinance”); and

WHEREAS, pursuant to the Act, it is now the desire of this City Council, to adopt this Fourth Supplemental Bond Ordinance to provide for issuance of not exceeding \$122,000,000 principal amount of its Utilities Revenue Refunding Bonds, Series 2014 (the “Series 2014 Refunding Bonds”) to advance refund the City’s outstanding Utilities Revenue Bonds, Series 2008 (the “Series 2008 Bonds”) maturing October 1, 2019 through October 1,

2038, inclusive, to defease that portion of the City's outstanding Series 2008 Bonds maturing October 1, 2015 through October 1, 2018 (together, the "Refunded Bonds"), and to pay the costs of issuance therefor, and further to fix the details of the Series 2014 Refunding Bonds and to sell the Series 2014 Refunding Bonds to the purchasers thereof; and

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOSSIER CITY, STATE OF LOUISIANA, in regular session convened, that:

SECTION 101. Definitions. In addition to words and terms elsewhere defined in the General Bond Ordinance, as may be amended, supplemented and modified herein, and this Fourth Supplemental Bond Ordinance, the following words and terms as used in this Fourth Supplemental Bond Ordinance shall have the following meanings, unless some other meaning is plainly intended:

"Act" means the applicable provisions of Chapter 14-A 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 Fourth Supplemental Bond Ordinance.

"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.

"Bond Counsel" means an attorney or firm of attorneys whose experience in matters relating to 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 Purchase Agreement" means the agreement between the City and the Underwriter dated August 27, 2014, providing for sale of the Bonds to the Underwriter.

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

"Bonds" means the City's Utilities Revenue Refunding Bonds, Series 2014, authorized to be issued by this Fourth Supplemental Ordinance and particularly by Section 2 hereof.

"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 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, 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 or are subject to mandatory redemption during any such period.

"Escrow Agent" means Whitney Bank, in the City of Baton Rouge, Louisiana, and its successor or successors, and any other person which may at any time be substituted in its place pursuant to this Fourth Supplemental Bond Ordinance.

"Escrow Agreement" means the Escrow Deposit Agreement dated as of October 1, 2014, between the City and the Escrow Agent, substantially in the form attached hereto as

Exhibit B, as the same may be amended from time to time, the terms of which Escrow Agreement are incorporated herein by reference.

“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 City.

“Fourth Supplemental Bond Ordinance” means this ordinance authorizing issuance of the Bonds.

“Governing Authority” means the City Council of the City of Bossier City, State of Louisiana, the governing authority of the City, 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.

“Interest Payment Date” means April 1 and October 1 of each year, commencing April 1, 2015.

“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.

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

“Parity Bond Ordinance” means, collectively, the ordinances adopted by the Governing Authority on July 6, 2010, September 21, 2010, October 5, 2010, July 3, 2012, May 6, 2014 and July 15, 2014, authorizing issuance of the Parity Bonds.

“Paying Agent” means Whitney Bank, in the City of Baton Rouge, Louisiana, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Fourth Supplemental Bond Ordinance, and thereafter “Paying Agent” shall mean such successor Paying Agent.

“Qualified Investments” means the following, provided that the same are at the time legal for investment of the City’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;

(v) securities permitted by applicable State law, including but not limited to La. R.S. 33:2955, as amended.

“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 this Fourth Supplemental Bond Ordinance.

“Refunded Bonds” means the City's outstanding Utilities Revenue Bonds, Series 2008, dated February 4, 2009, which mature on October 1 of the years 2015 to 2038, inclusive, which are being refunded and defeased by the Series 2014 Refunding Bonds, as more fully described in **Exhibit A** hereto.

“Underwriter” means, collectively, Stephens Inc. and Sisung Securities Corporation.

In lieu of the definition in Section 1.01 of the General Bond Ordinance, “System” or “Utility System” means the City's revenue-producing public utility consisting of the combined water and sewer utility systems lying within and without the boundaries of the City; the System shall include specifically all properties of every nature owned by the City and used or useful in the operation of the 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 City under lease or agreement with any other individual, partnership or corporation, public or private, as a part of the System, whether lying within or without the boundaries of the City.

SECTION 201. Authorization of Bonds. (a) This Fourth Supplemental Bond Ordinance creates a series of bonds of the City designated “Utilities Revenue Refunding Bonds, Series 2014, of the City of Bossier City, State of Louisiana,” and provides for the full and final payment of principal or redemption price of and interest on all the Bonds.

(b) The Bonds issued under this Fourth Supplemental Bond Ordinance shall be issued for the purpose of advance refunding the Refunded Bonds through escrow of a portion of the proceeds of the Bonds, together with other available moneys of the City, in accordance with the terms of the Escrow Agreement, in order to provided for the payment of the principal of, premium, if any, and interest on the Refunded Bonds as they mature or upon earlier redemption as provided herein and to pay the Costs of Issuance of the Bonds.

(c) Provision having been made for the orderly payment until maturity or earlier redemption of all the Refunded Bonds, in accordance with their terms, it is hereby recognized and acknowledged that as of the date of delivery of the Bonds under this Fourth Supplemental Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the City incidental to the Refunded Bonds, and that accordingly, and in compliance with all that is herein provided, the Issuer is expected to have no future obligation with reference to the aforesaid Refunded Bonds, except to assure that the Refunded Bonds are paid from the Government Securities and funds so escrowed in accordance with the provisions of the Escrow Agreement.

(d) The Escrow Agreement is hereby approved by the City, and the Mayor and Clerk of the Council are hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the City substantially in the form of **Exhibit B** hereto, with such changes, additions, deletions or completions deemed appropriate by such officers and it is expressly provided and covenanted that all of the provisions for the payment of the principal of, premium, if any, and interest on the Refunded Bonds from the special trust fund created under the Escrow Agreement shall be strictly observed and followed in all respects.

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 Fourth Supplemental Bond Ordinance shall be a part of the contract of the City with the Owners of the Bonds and shall be deemed to be and shall constitute a contract between the City 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 City 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 Fourth Supplemental 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 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 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 other purposes hereinafter set forth in this Fourth Supplemental 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 Fourth Supplemental 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 issuance of One Hundred Fourteen Million Seventy Thousand Dollars (\$114,070,000) principal amount of bonds of the City to be designated “Utilities Revenue Refunding Bonds, Series 2014, 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 C** hereto, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act and this Fourth Supplemental Bond Ordinance.

SECTION 205. Denominations, Dates, Maturities and Interest. The Bonds shall be issued as fully registered bonds without coupons in denominations of \$5,000 as principal amount or any integral multiple thereof within a single maturity, shall be dated the date of delivery thereof, 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, 2015, and shall mature on October 1 as follows:

Serial Bonds		
<u>Due</u> <u>October 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>
2015	1,675,000	2.000%
2016	1,520,000	2.000%
2017	1,550,000	2.000%
2018	1,585,000	2.000%
2019	1,615,000	3.000%
2020	2,085,000	4.000%
2021	2,180,000	5.000%
2022	2,455,000	5.000%
2023	4,240,000	5.000%
2024	4,450,000	5.000%

2025	4,675,000	5.000%
2026	2,910,000	5.000%
2026	2,000,000	4.000%
2027	5,135,000	5.000%
2028	5,390,000	5.000%
2029	5,660,000	5.000%
2030	5,940,000	4.000%
2031	6,180,000	5.000%
2032	6,490,000	5.000%
2033	6,810,000	5.000%
2034	7,155,000	5.000%
2035	7,510,000	5.000%
2036	7,885,000	5.000%
2037	8,280,000	5.000%
2038	8,695,000	4.000%

The principal of the Bonds and premium, if any, upon maturity or redemption, shall be payable at the corporate trust office of the Paying Agent in Baton Rouge, Louisiana, 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 the City shall default in payment of 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.

During any period after the initial delivery of the Bonds in book-entry-only form when the Bonds are delivered in multiple certificates form, upon request of a registered owner of at least \$1,000,000 in principal amount of Bonds outstanding, all payments of principal, premium, if any, and interest on such Bonds will be paid by wire transfer in immediately available funds to an account designated by such registered owner; CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal, premium, and interest, whether by check or by wire transfer.

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 City 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 issuance of the Bonds on a parity with the Parity Bonds.

SECTION 207. Book Entry Registration of Bonds. The Bonds shall be initially issued in the name of Cede & Co., as nominee for The Depository Trust Company

(“DTC”), as registered owner of the Bonds , and held in the custody of DTC. The Clerk of the City or any other officer of the City is authorized to execute of the Bonds in “book-entry only” format. The Paying Agent is hereby directed to execute said Letter of Representation. The terms and provisions of said Letter of Representation shall govern in the event of any inconsistency between the provisions of this Fourth Supplemental Bond Ordinance and said Letter of Representation, if required. Initially, a single certificate will be issued and delivered to DTC for each maturity of the Bonds. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

Notwithstanding anything to the contrary herein, while the Bonds are issued in book-entry-only form, the payment of principal of, premium, if any, and interest on the Bonds may be payable by the Paying Agent by wire transfer to DTC in accordance with the Letter of Representation.

For every transfer and exchange of the Bonds , the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner’s allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

Bond certificates are required to be delivered to and registered in the name of the Beneficial Owner under the following circumstances:

- (a) DTC determines to discontinue providing its service with respect to the Bonds. Such a determination may be made at any time by giving 30 days’ notice to the City and the Paying Agent and discharging its responsibilities with respect thereto under applicable law; or
- (b) The City determines that continuation of the system of book-entry transfer through DTC (or a successor securities depository) is not in the best interests of the City and/or the Beneficial Owners.

The City and the Paying Agent will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the City nor the Paying Agent are responsible for the performance by DTC of any of its obligations including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy *in lieu* of consent.

Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book entry at DTC, the requirements of this Bond Resolution of holding, delivering or transferring the Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Bonds , all references herein to DTC shall be of no further force or effect.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF THE BONDS

SECTION 301. Exchange of Bonds ; Persons Treated as Owners. The City shall cause books for registration of ownership of the Bonds and for registration of transfer of the Bonds as provided in this Bond Ordinance to be kept by the Paying Agent at its corporate trust office in Baton Rouge, Louisiana, or such other office as shall be selected by the Paying Agent, 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 City 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 City 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 City, 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 City and the Paying Agent, and any agent of the City 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 City may in its discretion adopt an ordinance or a resolution and thereby authorize 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 City and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the City and the Paying Agent, (ii) giving to the City and the Paying Agent an indemnity bond in favor of the City and the Paying Agent in such amount as the City may require, (iii) compliance with such other reasonable regulations and conditions as the City may prescribe and (iv) paying such expenses as the City 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 City 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 City, 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, 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 City 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 definitive Bonds are prepared, the City 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 City, shall thereupon be promptly canceled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the City Clerk of the City an appropriate certificate of cancellation.

SECTION 305. Execution. The Bonds shall be executed in the name and on behalf of the City by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk of the City, and the corporate seal of the City (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 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 City 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 this Fourth Supplemental Bond Ordinance unless and until a certificate of registration on such Bond substantially in the form set forth in **Exhibit C** 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 this Fourth Supplemental Bond Ordinance.

SECTION 307. Regularity of Proceedings. The City, having investigated the regularity of the proceedings had in connection with 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. Upon the delivery of the Bonds, proceeds of the Bonds (net of Underwriters' Discount) shall be deposited with the Escrow Agent in accordance with the provision of the Escrow Agreement attached hereto as **Exhibit B**.

ARTICLE V

PAYMENT OF BONDS; FLOW OF FUNDS

SECTION 501. Payment of Bonds. The City covenants that it will deposit or cause to be deposited in the funds and accounts established pursuant to the General Bond Ordinance at such times and in such amounts from the moneys derived from operation of the Utility System or other funds available for such purpose, funds fully sufficient to pay promptly the principal, premium, if any, and interest falling due on the Bonds.

SECTION 502. Security for the Bonds. All of the income and revenues to be earned from operation of the Utility System shall be deposited daily as provided in Section 503 hereof in the City's existing Revenue Fund, which fund shall be maintained separate and apart from all other funds of the City. Funds in the Revenue Fund shall be expended in the order and priority set forth below and in Section 5.01 of the General Bond Ordinance.

SECTION 503. Funds and Accounts. In order that the principal of and interest on the Bonds and the 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 this Fourth Supplemental Bond Ordinance and to the lien of the Bondowners, and for the other objects and purposes set forth herein, the City will keep a separate account of such funds so that they will be at all times distinguished from other City 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 herein. Such monies shall be maintained in a separate account on books maintained by the City although they may be part of a bank account containing other monies, and the City further covenants that all income and revenues of every nature derived from 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 City (the "Fiscal Agent Bank"). That separate account shall be known and designated as the "Utility System Revenue Fund," (the "Revenue Fund") and 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 System;

b. The maintenance of a separate City account entitled "Revenue Bond Debt Service Fund" (the "Debt Service 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 Revenue Fund to the Debt Service Fund, monthly in advance on or before the 20th day of each month of each year, beginning October 20, 2014, 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 Debt Service Fund to pay said principal and interest as the same respectively become due. Unless previously provided for by the City, the Fiscal Agent Bank shall make such credit arrangements with the Paying Agent as will assure, from the amount of money in the Debt Service Fund, prompt payment of principal and interest on the Bonds payable from the Debt Service Fund.

c. The maintenance of the "Depreciation and Contingencies Fund" (the "Contingencies Fund") established by the Parity Bond Ordinance, to provide for additions and improvements necessary to properly operate the System, by transferring from the Revenue Fund to the Contingencies Fund, on or before the 20th day of each month of each year, a sum equal to five percent (5%) of the Net Utilities Revenues of the System for the preceding month. Such payments into the Contingencies Fund shall continue until such time as there has been accumulated in the Contingencies Fund the sum of One Hundred Thousand Dollars (\$100,000), whereupon such payments may cease and need be resumed thereafter only if the total amount of money on deposit in said fund is reduced below the sum of One Hundred Thousand Dollars (\$100,000), in which event such payments shall be resumed and continue until said maximum amount is again accumulated. In addition to providing for extensions, additions, improvements, renewals and replacements necessary to properly operate the Utility System, the money in the Contingencies Fund may 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 this Fourth Supplemental Bond Ordinance, for payment of which there is not sufficient money in the Debt Service Fund, but the money in the Contingencies Fund shall never be used for making of extensions, additions, improvements, renewals and replacements to the System if such use of said money will leave in the Contingencies Fund for making of emergency repairs or replacements less than the sum of Fifty Thousand Dollars (\$50,000.00).

All or any part of the moneys in the Revenue Fund, Debt Service Fund, and Contingencies Fund shall, at request of the City, be invested in Qualified Investments, in which event all income derived from such Qualified Investments shall be added to the Revenue Fund as income and revenue of the 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 City is in compliance with the mandatory rate covenant provided for in Section 901 hereof, any money remaining in the Revenue Fund on the 20th day of each month and after making the required payments into the Debt Service 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 City 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 City's financial records shows that the City is again in compliance. Such surplus may be used by the City for such other lawful corporate purposes as the Governing Authority may determine, whether such purposes are or are not related to the 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 City 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 City and the Paying Agent.

SECTION 505. Transfer of 2008 Bond Reserve Fund Balance. Upon issuance of the Bonds, the City shall cause the balance of the reserve fund allocable to the 2008 Bonds to be transferred to the Escrow Fund and applied as provided therein to the payment or redemption of the 2008 Bonds. With the consent of the Owners of the respective outstanding Parity Bonds, the City may, (1) cause the remaining balance(s) of the reserve fund to be transferred to the sinking fund of the respective Parity Bond Ordinance, or (2) use the remaining balance(s) in a manner permitted by federal law and/or the agreement among the City and Owners of the respective outstanding Parity Bonds. Thereupon, all requirements in the Parity Bond Ordinance relating to maintenance of a reserve fund or reserve fund requirement shall be inoperative and shall not apply to the Bonds, the Parity Bonds or any Additional Bonds. The consent of the Owners of the Parity Bonds shall specifically acknowledge the fact that such Parity Bonds are no longer secured by a reserve fund and that the provisions relating to such fund will become inoperative on the date of such transfer. For purposes of this Section 505, the City's \$22,000,000 Utilities Revenue Bonds, Series 2014 shall not be considered Parity Bonds, and consent of the Owners thereof is not and shall not be required.

ARTICLE VI

REDEMPTION OF BONDS

SECTION 601. Redemption of Bonds. The Bonds maturing October 1, 2025 and thereafter will be callable for redemption at the option of the City in whole or in part at any

time on or after October 1, 2024, 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 optionally 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-five (35) days prior to the redemption date. In the event notice of redemption shall have been given as provided in Section 604, the City 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. If less than all Bonds outstanding are to be redeemed through optional redemption, the principal amount of Bonds of each maturity to be redeemed may be specified by the City by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that the principal amount of Bonds of each maturity to be redeemed may not be larger than the principal amount of Bonds of such maturity then eligible for redemption and may not be smaller than the smallest authorized denomination; provided further, however that so long as DTC is acting as securities depository for the Bonds, such selection will be made in accordance with DTC's practice.

SECTION 604. Notice of Redemption. Notice of any such optional redemption shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail, postage prepaid, or otherwise delivering such notice via accepted means of electronic communication, 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 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 City for payment of the Bonds or portions thereof called, together with accrued interest thereon and premium, if any, to the redemption date. Upon 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 Series 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.

ARTICLE VII

PARTICULAR COVENANTS, ADDITIONAL PARITY BONDS

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

SECTION 702. Payment of Bonds. The City 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 City 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 City 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 City 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 interest on any Bond in “gross income” under the Code, including without limitation, the failure to comply with the limitation on investment of 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 City shall not permit at any time or times any proceeds of the Bonds or any other funds of the City or any funds or accounts established within this Bond Ordinance to be used, directly or indirectly, in a manner which would result in 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 City 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 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 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 this Fourth Supplemental 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 issuance of 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 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.

(b) There must be no delinquencies in payments required to be made into the various funds established by this Fourth Supplemental 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 herein as certified by the City'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 proceeds of the additional bonds must be used solely for making of additions, improvements, extensions, renewals, replacements or repairs to the 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 City in the Fourth Supplemental Bond Ordinance other covenants and agreements to be observed by the City which are not contrary to or inconsistent with the Fourth Supplemental Bond Ordinance as theretofore in effect;

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

(c) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of the Fourth Supplemental 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 City contained in the Fourth Supplemental Bond Ordinance;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of the Fourth Supplemental Bond Ordinance; or

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

SECTION 802. Supplemental Ordinances Effective With Consent of Bondholders. Except as provided in Section 801, any modification or amendment of the Fourth Supplemental Bond Ordinance or of the rights and obligations of the City 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 City to levy rates and charges for 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. For the purposes of this Section, Bonds shall be deemed to be affected by a modification or amendment of this Fourth Supplemental 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

MAINTENANCE AND OPERATION OF THE SYSTEM

SECTION 901. Obligation to Fix Rates. The City, 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 debt service funds or other payments required for such year by the Parity Bond Ordinance and this Fourth Supplemental Bond Ordinance, and (iv) all other obligations and indebtedness payable out of the income and revenues of the 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 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 Fourth Supplemental Bond Ordinance or in the Bonds shall be construed to prevent the City 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 System, said alterations, amendments or repeals to be conditioned upon the continued preservation of the rights of the Owners with respect to the income and revenues of the System, not alone for payment of the principal of and the interest on the Bonds, but to give assurance and insure that the income and revenues of the System shall be sufficient at all times to meet and fulfill the other provisions stated and specified in Section 503 of this Fourth Supplemental Bond Ordinance. It is understood and agreed, however, that the City shall fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities to be rendered by the System, irrespective of the user thereof, that no free services or facilities shall be furnished to any person, association of persons or corporation, public or private, except the City itself, and that all service shall be metered, and that no discrimination shall be made as to rates and charges for the services and facilities of the System as between users of the same type or class, provided, however, the City shall not be required to meter water used for fire fighting purposes through its fire hydrants, but the City 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 System and available for fire fighting. The City agrees that all charges owed by any individual, partnership or corporation for water and sewer services rendered by the System shall be billed and collected as a unit; that failure of any individual, partnership or corporation to pay said combined charge within fifteen (15) days of the date on which it is billed shall cause such charge to become delinquent; that if such delinquent charge, with penalties accrued thereon, is not paid within ten (10) days from the date on which it became delinquent, the City will shut off water service to the affected premises; and that the City and its officials, agents and employees will do all things necessary and will take advantage of all remedies afforded by law to collect and enforce the prompt payment of all charges made for utilities services rendered by the System. All delinquent charges for such services shall on the date of delinquency have added thereto 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 Fourth Supplemental Bond Ordinance for services and facilities rendered by the System shall remain in effect and neither said existing schedule nor any subsequent schedule shall be

reduced at any time unless all payments required for all funds by this Fourth Supplemental 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 Fourth Supplemental Bond Ordinance.

SECTION 903. Pledge of Net Utilities Revenues. In providing for issuance of the Bonds, the City does hereby covenant and warrant that it will be lawfully seized and possessed of the 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 Fourth Supplemental 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 System, and that the City will at all times maintain the 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 City shall carry full coverage of insurance on the 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 City 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 City, 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 City 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 System. Not later than three (3) months after the close of each Fiscal Year, the City 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 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 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 City has carried out the requirements of this Fourth Supplemental Bond Ordinance, and the accountant's recommendations for any changes or improvements in the operation of the 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 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 City agrees that the Owners shall have at all reasonable times the right to inspect the System and the records, accounts and data of the City 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 Fourth Supplemental 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 Fourth Supplemental Bond Ordinance, and may enforce and compel the performance of all duties required by this Fourth Supplemental Bond Ordinance or by any applicable statutes to be performed by the City 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 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 Fourth Supplemental Bond Ordinance as the same shall become due, or in the making of the payments into any fund established by Section 503 of this Fourth Supplemental Bond Ordinance or any other payments required to be made by this Fourth Supplemental Bond Ordinance, or in the event that the City or any agency, board, officer, agent or employee thereof shall fail or refuse to comply with the provisions of this Fourth Supplemental 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 System, in an appropriate judicial proceeding in a court of competent jurisdiction.

The receiver so appointed shall forthwith directly or by his agents and attorneys, enter into and upon and take possession of the System, and each and every part thereof, and shall hold, operate and maintain, manage and control the System, and each and every part thereof, and in the name of the City shall exercise all the rights and powers of the City with respect to the System as the City itself might do. Such receiver shall operate the System in the manner provided in this Fourth Supplemental Bond Ordinance, and comply under the jurisdiction of the court appointing such receiver, with all of the provisions of this Fourth Supplemental Bond Ordinance.

Whenever all that is due upon the Bonds issued pursuant to this Fourth Supplemental Bond Ordinance, and interest thereon, and under any covenants of this Fourth Supplemental 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 System, shall have been paid and made good, and all defaults under the provisions of this Fourth Supplemental Bond Ordinance shall have been cured and made good, possession of the Utility System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any Owner of Bonds issued pursuant to the Fourth Supplemental 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 System in the name of the City and for the joint protection and benefit of the City and Owners of Bonds issued pursuant to this Fourth Supplemental 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 System but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the City and Owners and the curing and making good of any default under the provisions of this Fourth Supplemental Bond Ordinance, and the title to and the ownership of the System shall remain in the City, 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 System except with the consent of the City 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 Fourth Supplemental Bond Ordinance then outstanding may by a duly executed certificate in writing appoint a trustee for Owners of Bonds issued pursuant to this Fourth Supplemental 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.

SECTION 907. Sale or Lease of System. So long as any of the Bonds authorized are outstanding in principal and interest, the City shall be bound and obligated not to sell, lease, encumber, or in any manner dispose of the System or any substantial part thereof; provided, however, that this covenant shall not be construed to prevent the disposal by the City of property which in its judgment has become inexpedient to use in connection with the 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 System.

SECTION 908. Priority of Lien. Except as provided in Section 704 of this Fourth Supplemental Bond Ordinance, the City 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 Fourth Supplemental Bond Ordinance and the interest thereon upon any of the income and revenues of the System pledged as security therefor in this Fourth Supplemental Bond Ordinance.

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

SECTION 911. No Free Service The City 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 City 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 City shall take all action necessary to require every owner, tenant or occupant of each lot or parcel of land in the City 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 City 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 Underwriter thereof have relied, and the Owners of the Bonds from time to time will rely, upon representations made by the City that the System will be economically and efficiently operated so that both the City and the Owners of the Bonds may benefit through the production of maximum revenues. To this end, the City hereby covenants and agrees that in the event it should default in making the payments required by Section 503 of this Fourth Supplemental Bond Ordinance, it will retain a nationally known consulting utility engineer or firm of consulting utility engineers (in this Fourth Supplemental Bond Ordinance referred to as "Consulting Engineer") for the purpose of providing the City 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 System. The Consulting Engineer retained under the provisions of this Fourth Supplemental Bond Ordinance may be replaced at any time by another engineer or firm of engineers appointed or retained by the City, 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 City, the original Underwriter 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 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 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 Fourth Supplemental Bond Ordinance, and any other things having a bearing upon the efficient and profitable operation of the 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 City 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 City as to any changes or revisions of rates, fees, rents or other charges for services and facilities rendered or furnished by the System, and the City 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 City shall, in conjunction with the Consulting Engineer, prepare a budget for the ensuing year's operation of the System. No expenditure for the operation, maintenance and repairs of the 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 City may be in default in making required payments into the funds established by Section 503 of this Fourth Supplemental Bond Ordinance.

ARTICLE X

CONCERNING FIDUCIARIES

SECTION 1001. Paying Agent: Appointment and Acceptance of Duties. The City will at all times maintain a Paying Agent meeting the qualifications herein described for the performance of the duties hereunder. The Paying Agent shall only act as an agent with respect to payments of principal of and/or redemption price and interest on the Bonds and shall owe no other fiduciary duty to or have any further obligation to act on behalf of the City of the Owners of the Bonds. The designation of Whitney Bank, Baton Rouge, Louisiana, as initial Paying Agent in this Fourth Supplemental Bond 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 Fourth Supplemental 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 City in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Fourth Supplemental 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 City by the Owners of not less than 25% of the Bond Obligation (as defined in the Fourth Supplemental Bond Ordinance); or

(d) if the City 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 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

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 Fourth Supplemental Bond Ordinance and State law.

ARTICLE XII

MISCELLANEOUS

SECTION 1201. Defeasance. (a) If the City 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 Fourth Supplemental Bond Ordinance, then the covenants, agreements and other obligations of the City to the Bondholders shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the City and the receipt of evidence satisfactory to the Paying Agent of compliance with the terms of the preceding sentence, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the City all moneys, securities and funds held by them pursuant to the Fourth Supplemental 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 City 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 Fourth Supplemental 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 Fourth Supplemental 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 City 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 Fourth Supplemental 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 City, the Paying Agent, and the Owners of the Bonds any right, remedy or claim under or by reason of this Fourth Supplemental Bond Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Fourth Supplemental Bond Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, 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 Fourth Supplemental Bond Ordinance against any member of the Governing Authority or officer of the City or any person executing the Bonds.

SECTION 1206. Successors and Assigns. Whenever in this Fourth Supplemental Bond Ordinance the City is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Fourth Supplemental Bond Ordinance contained by or on behalf of the City 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 Fourth Supplemental 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 Fourth Supplemental Bond Ordinance or of the Bonds, but this Fourth Supplemental 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 Fourth Supplemental Bond Ordinance which validates or makes legal any provision of this Fourth Supplemental Bond Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Fourth Supplemental Bond Ordinance and to the Bonds.

SECTION 1208. Execution of Documents. In connection with issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the City such documents, certificates and instruments as they may deem necessary, upon the advice of Bond Counsel, to effect the transactions contemplated by this Fourth Supplemental 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 Fourth Supplemental 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 Fourth Supplemental Bond Ordinance shall become effective immediately upon its adoption.

SECTION 1211. Arbitrage. The City 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 City 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 City or any funds or accounts established within this Fourth Supplemental 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 Securities and Exchange Commission (“SEC”) Continuing Disclosure Rules, the City covenants and agrees for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of the events enumerated in Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1931, as the same may be amended from time to time (the “Rule”). All filings shall be made electronically solely by transmitting such filing to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) as provided at www.emma.msrb.org, an Internet-based electronic filing system maintained by the Municipal Securities Rulemaking Board and approved by the SEC, which submission will satisfy the reporting requirements imposed by the Rule.

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 H, as the same may be amended from time to time in accordance with its terms. Failure to comply with the Rule shall not constitute an “event of default” under Article XI of this Fourth Supplemental Bond 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 City under the Continuing Disclosure Certificate.

SECTION 1213. Official Statement. The City hereby ratifies and approves the form and content of the Preliminary Official Statement pertaining to the Bonds, as submitted to the City, and hereby ratifies its prior use in connection with the sale of the Bonds. The City 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 City 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 Underwriter at a price \$128,195,544.80 (representing the principal of \$114,070,000, less Underwriter’s discount of \$855,525.00, plus reoffering premium of \$14,981,069.80), and under the terms and conditions set forth in the Bond Purchase Agreement attached hereto as **Exhibit D**. 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 City of the agreed purchase price. The Bond Purchase Agreement attached hereto as **Exhibit D** and the execution thereof by the Executive Officers is hereby ratified and approved, and the Executive Officers are hereby authorized, empowered and directed to deliver or cause to be executed and delivered all documents required to be executed on behalf of the City or deemed by them necessary or advisable to implement the Fourth Supplemental Bond Ordinance or to facilitate the sale of the Bonds.

This Ordinance adopted and passed on this 9th day of September, 2014.

TIMOTHY LARKIN
PRESIDENT

PHYLLIS McGRAW
CLERK OF THE COUNCIL

There being no further business to come before this Council, meeting adjourned at 3:08 PM by Mr. Larkin.

Respectfully submitted:

**Phyllis McGraw
City Clerk**

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