

FACT SHEET

CITY OF SHREVEPORT, LOUISIANA

<u>TITLE</u>	<u>DATE</u>	<u>ORIGINATING DEPARTMENT</u>
A SERIES ORDINANCE PURSUANT TO THE GENERAL BOND ORDINANCE, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED FIFTY MILLION DOLLARS (\$50,000,000) OF TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, OF THE CITY OF SHREVEPORT, STATE OF LOUISIANA; ESTABLISHING CERTAIN DETAILS OF SUCH BONDS AS REQUIRED BY THE GENERAL BOND ORDINANCE; APPROVING AND CONFIRMING THE SALE OF SUCH BONDS; PLEDGING THE NET REVENUES OF THE SYSTEM TO SECURE SUCH BONDS; PRESCRIBING THE FORM, CERTAIN TERMS AND CONDITIONS OF SAID BONDS; AND OTHERWISE PROVIDING WITH RESPECT THERETO	July 14, 2020	City Attorney's Office <u>COUNCIL DISTRICT</u> City-wide <u>SPONSOR</u>

PURPOSE

To introduce an ordinance granting approval for the incurring of debt and issuance of not to exceed \$50,000,000 Taxable or Tax-Exempt Water and Sewer Revenue Refunding Bonds, in one or more series for the purposes of (i) restructuring existing water and sewer debt in order to reduce debt service requirements of the City in the upcoming fiscal year(s), which will allow additional cash availability to City to help alleviate negative financial impacts caused by COVID-19; (ii) funding a reserve fund, via a reserve policy, if necessary, and (iii) paying the costs of issuance of the Bonds, including the costs for a municipal bond insurance policy, if necessary (collectively, the "Refunding").

BACKGROUND INFORMATION

The City has previously issued its: (i) Water and Sewer Refunding Bonds, Series 2014A, issued in the aggregate amount of Seventy Five Million Eight Hundred Thirty-Five Thousand Dollars (\$75,835,000) (the "**Series 2014A Bonds**"), (ii) Water and Sewer Revenue and Refunding Bonds, Series 2015, issued in the aggregate amount of One Hundred Twenty Million Dollars (\$120,000,000) (the "**Series 2015 Bonds**"); (iii) Taxable Water and Sewer Revenue Bonds, Junior Lien Series 2016C, issued in the aggregate amount of Eight Million Four Hundred Twenty Dollars (\$8,420,000) (the "**Series 2016C Bonds**"); and (iv) Water and Sewer Revenue Bonds, Junior Lien Series 2018C, issued in the aggregate amount of One Hundred Million Dollars (\$100,000,000) (the "**Series 2018C Bonds**" and together with the Series 2014A Bonds, the Series 2015 Bond, and the Series 2016C Bonds, the "**Refunded Bonds**").

The City has previously issued its: (i) Water and Sewer Revenue Bonds, Series 2017A, issued in the aggregate amount of Fifty-Five Million Nine Hundred Seventy-Five Thousand Dollars (\$55,975,000) (the "**Series 2017A Bonds**"); (ii) Water and Sewer Revenue Bonds, Junior Lien Series 2017B, issued in

the aggregate amount of Thirty-Five Thousand Eight Hundred Forty Thousand Dollars (\$35,840,000) (the "**Series 2017B Bonds**"); (iv) Water and Sewer Revenue Bonds, Series 20118, issued in the aggregate amount of One Hundred Million Dollars (\$100,000,000) (the "**Series 2018 Bonds**"); (v) Taxable Water and Sewer Revenue Bonds, Series 2019A, issued in the aggregate amount of Twenty Million Dollars (\$20,000,000) (the "**Series 2019A Bonds**"); (vi) Water and Sewer Revenue Bonds, Series 2019B, issued in the aggregate amount of One Hundred Million Dollars (\$75,835,000) (the "**Series 2019B Bonds**" and together with the Series 2017A Bonds, the Series 2018 Bonds, and the Series 2019A Bonds, the "**Outstanding Senior Lien Bonds**"); and (vii) Taxable Water and Sewer Revenue Bonds, Junior Lien Series 2019C (the "**Series 2019C Bonds**" and together with the Series 2017B Bonds, the "**Outstanding Junior Lien Bonds**").

<p><u>TIMETABLE</u> Introduction: July 14, 2020 Final Passage: July 28, 2020</p>	<p><u>ATTACHMENTS</u> n/a Transcribed totals of votes</p>
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SPECIAL PROCEDURAL REQUIREMENTS

<p><u>FINANCES</u> NA</p>	<p><u>SOURCE OF FUNDS</u> The Series 2020 Bonds will be secured by and payable solely from Net Revenues of the System on parity with any Refunded Bonds not refunded and a portion of the Series 2020 Bonds may be issued as Senior Lien Parity Bonds on a complete parity with the Issuer's outstanding Senior Lien Bonds, and a portion of the Series 2020 Bonds may be issued as Junior Lien Parity Bonds on a junior and subordinate basis to the Senior Lien Bonds but on a parity with the Issuer's outstanding Junior Lien Bonds.</p>
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ALTERNATIVES

(1) Introduce the Ordinance as submitted; (2) Amend the Ordinance, then introduce or (3) Reject the Ordinance.

RECOMMENDATION

The City Attorney's Office recommends introduction of the ordinance.

FACT SHEET PREPARED BY: Sherricka Jones - CFO

ORDINANCE NO. __ of 2020

A SERIES ORDINANCE PURSUANT TO THE GENERAL BOND ORDINANCE, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED FIFTY MILLION DOLLARS (\$50,000,000) OF TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, IN ONE OR MORE SERIES, OF THE CITY OF SHREVEPORT, STATE OF LOUISIANA; ESTABLISHING CERTAIN DETAILS OF SUCH BONDS AS REQUIRED BY THE GENERAL BOND ORDINANCE; APPROVING AND CONFIRMING THE SALE OF SUCH BONDS; PLEDGING THE NET REVENUES OF THE SYSTEM TO SECURE SUCH BONDS; PRESCRIBING THE FORM, CERTAIN TERMS AND CONDITIONS OF SAID BONDS; AND OTHERWISE PROVIDING WITH RESPECT THERETO

BY: COUNCILMEMBER _____.

WHEREAS, the City of Shreveport, State of Louisiana (the "**City**" or "**Issuer**") now owns and operates a combined drinking water treatment and distribution system and wastewater collection, treatment and disposal system as a combined revenue-producing work of public improvement (the "**System**"); and

WHEREAS, the City Council of the City, acting as the governing authority (the "**Governing Authority**") of the City adopted Ordinance No. 95 of 2016 on October 11, 2016, as amended by Ordinance No. 4 of 2017 adopted on January 24, 2017 (collectively, the "**General Bond Ordinance**"), authorizing the issuance from time to time of Water and Sewer Revenue Refunding Bonds of the Issuer and the pledge of revenues derived from the operation of the System, subject only to the payment of the reasonable and necessary expenses of operating and maintaining the System (the "**Net Revenues of the System**") under the terms and conditions set forth in the General Bond Ordinance; and

WHEREAS, the Issuer has previously issued its: (i) Water and Sewer Refunding Bonds, Series 2014A, issued in the aggregate amount of Seventy Five Million Eight Hundred Thirty-Five Thousand Dollars (\$75,835,000) (the "**Series 2014A Bonds**"), (ii) Water and Sewer Revenue and Refunding Bonds, Series 2015, issued in the aggregate amount of One Hundred Twenty Million Dollars (\$120,000,000) (the "**Series 2015 Bonds**"); (iii) Taxable Water and

Sewer Revenue Bonds, Junior Lien Series 2016C, issued in the aggregate amount of Eight Million Four Hundred Twenty Dollars (\$8,420,000) (the "**Series 2016C Bonds**"); and (iv) Water and Sewer Revenue Bonds, Junior Lien Series 2018C, issued in the aggregate amount of One Hundred Million Dollars (\$100,000,000) (the "**Series 2018C Bonds**" and together with the Series 2014A Bonds, the Series 2015 Bond, and the Series 2016C Bonds, the "**Refunded Bonds**"); and

WHEREAS, the Issuer has previously issued its: (i) Water and Sewer Revenue Bonds, Series 2017A, issued in the aggregate amount of Fifty-Five Million Nine Hundred Seventy-Five Thousand Dollars (\$55,975,000) (the "**Series 2017A Bonds**"); (ii) Water and Sewer Revenue Bonds, Junior Lien Series 2017B, issued in the aggregate amount of Thirty-Five Thousand Eight Hundred Forty Thousand Dollars (\$35,840,000) (the "**Series 2017B Bonds**"); (iv) Water and Sewer Revenue Bonds, Series 20118, issued in the aggregate amount of One Hundred Million Dollars (\$100,000,000) (the "**Series 2018 Bonds**"); (v) Taxable Water and Sewer Revenue Bonds, Series 2019A, issued in the aggregate amount of Twenty Million Dollars (\$20,000,000) (the "**Series 2019A Bonds**"); (vi) Water and Sewer Revenue Bonds, Series 2019B, issued in the aggregate amount of One Hundred Million Dollars (\$75,835,000) (the "**Series 2019B Bonds**" and together with the Series 2017A Bonds, the Series 2018 Bonds, and the Series 2019A Bonds, the "**Outstanding Senior Lien Bonds**"); and (vii) Taxable Water and Sewer Revenue Bonds, Junior Lien Series 2019C (the "**Series 2019C Bonds**" and together with the Series 2017B Bonds, the "**Outstanding Junior Lien Bonds**" and together with the Outstanding Senior Lien Bonds, the "**Outstanding Prior Lien Bonds**"); and

WHEREAS, pursuant to and under the authority of Chapters 14 and 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "**Refunding Act**"), and other constitutional and statutory authority and the General Bond Ordinance, it is the desire of this Governing Authority to provide for the issuance, in the total state amount of, not the exceed Fifty Million Dollars (\$50,000,000) Taxable Water and Sewer Revenue Refunding Bonds, in one or more series (the "**Bonds**"); and

WHEREAS, the Bonds are being issued by the Issuer, for the purposes of (i) refunding the Refunded Bonds, (ii) purchasing a reserve fund surety, if necessary and (iii) paying the costs of issuance of the Bonds, including the premium for the municipal bond insurance policy and the premium for the debt service reserve fund surety bond , if necessary, for the Bonds (collectively, the "**Refunding**"); and

WHEREAS, the Outstanding Prior Lien Bonds, are payable from a pledge and dedication of the Net Revenues of the System. The Issuer has sufficient Net Revenues of the System to pay the bond proposed by this Series Ordinance (as defined herein), in accordance with their proposed terms and conditions as well as pay all other outstanding obligations which are secured by a pledge of the Net Revenues of the System, in accordance with their respective terms and conditions;

WHEREAS, the Issuer desires, within this ordinance (the "**Series Ordinance**" and together with the General Bond Ordinance, the "**Bond Ordinance**"), to fix the details necessary with respect to the issuance, sale and delivery of the aforesaid series of Bonds, and to provide for the authorization and issuance thereof, in the manner provided by the Bond Ordinance.

NOW, THEREFORE, BE IT ORDAINED by the Governing Authority of the Issuer, that:

SECTION 1. Definitions. In addition to capitalized words and terms elsewhere defined herein and in the General Bond Ordinance, the following words and terms shall have the following meaning as used in this Series Ordinance, unless some other meaning is plainly intended:

"**Bonds**" shall mean the Taxable Water and Sewer Revenue Refunding Bonds, in one or more series, authorized to be issued by this Series Ordinance and particularly by Section 2 hereof, in substantially the form attached hereto as **Exhibit A.**

"**Bond Counsel**" shall mean, collectively, Washington & Wells, LLC, Shreveport, Louisiana and Boles Shafto, LLC, Monroe, Louisiana.

"**Bond Purchase Agreement**" shall mean, the Bond Purchase Agreement between the Issuer and the Underwriters providing for the sale of the Bonds, in substantially the form attached hereto as **Exhibit B**, which shall include the Mayor's approval of final maturity schedule, principal amounts, redemption provisions and interest rate(s) of the Bonds within the parameters set forth herein.

"**Paying Agent**" shall mean Regions Bank, an Alabama state banking corporation having a corporate office located in Baton Rouge, Louisiana.

"**Purchasers**" or "**Underwriters**" shall mean collectively, Wells Fargo Securities, LLC and Crews & Associates, Inc.

SECTION 2. Authorization of the Bonds and Escrow Agreement. In compliance with and under the authority of Refunding Act, as well as Section 2.05 of the General Bond Ordinance, the details of the Bonds shall be as follows:

(a) Senior Lien Bonds. There is hereby authorized the incurring of an indebtedness for, on behalf of and in the name of the Issuer, and to represent the indebtedness, this Governing Authority does hereby authorize the issuance of Senior Lien Bonds to be designated "Taxable Water and Sewer Revenue Refunding Bonds, Series 2020A, of the City of Shreveport, State of Louisiana." The Senior Lien Bonds shall be dated the date of delivery thereof.

Junior Lien Bonds. There is hereby authorized the incurring of an indebtedness for, on behalf of and in the name of the Issuer, and to represent the indebtedness, this Governing Authority does hereby authorize the issuance of Senior Lien Bonds to be designated "Taxable Water and Sewer Revenue Bonds, Series 2020B,

of the City of Shreveport, State of Louisiana." The Junior Lien Bonds shall be dated the date of delivery thereof.

In the event no Senior Lien Bonds are issued pursuant to this Bond Ordinance and only Junior Lien Bonds are issued, the designation "Series 2020A" shall then be assigned to the Junior Lien Bonds so issued, and the designation "Series 2020B Bonds" may then be assigned to any subsequent bonds issued in 2020.

The stated principal amounts of the Bonds shall be determined and approved by the Mayor in the Bond Purchase Agreement with the advice of the Issuer's Municipal Advisor, provided that the combined stated principal amount of the Bonds shall not exceed Fifty Million Dollars (\$50,000,000).

- (b) The Bonds shall be Fixed Rate Bonds and shall bear interest at fixed rates not to exceed five percent (5%) per annum as shall be approved by the Mayor in the Bond Purchase Agreement with the advice of the Issuer's Municipal Advisor, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 20__.
- (c) The Bonds shall mature serially on December 1 of each year ending no later than December 1, 20__, in such amounts as shall be approved by the Mayor in the Bond Purchase Agreement, provided that the Mayor may also approve the combination of two (2) or more serial maturities of either series of the Bonds into one or more term bonds which shall be subject to mandatory sinking redemption, all as shall be set forth in the Bond Purchase Agreement.
- (d) The principal and interest of the Bonds shall be payable in the manner set forth in Section 3.08 of the General Bond Ordinance; interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date.

- (e) The Bonds shall be subject to optional and mandatory sinking fund redemptions in such manner and upon the terms as may be approved by the Mayor in the Bond Purchase Agreement with the advice of the City's Municipal Advisor.
- (f) The Bonds shall be in substantially the forms attached to this Series Ordinance as **Exhibit B** and **C**, with such necessary changes as may be approved by the Mayor upon the advice of the City Attorney and Bond Counsel. The Bonds shall be numbered from R-1 upwards; the Bonds shall be initially registered to the Depository Trust Company or its nominee, and the provisions of Section 3.07 of the General Bond Ordinance shall be applicable to the Bonds.
- (g)
 - (i) The initial Paying Agent for the Bonds shall be Regions Bank, in the City of Baton Rouge, Louisiana;
 - (ii) Verification Agent for the Refunding shall be Robert Thomas CPA, LLC in the City of Overland Park, Kansas; and
 - (iii) Notwithstanding the prior appointment of Kutak Rock as Special Tax Counsel, the firm of Foley & Judell, LLP, New Orleans, LA is hereby appointed as Special Tax Counsel for the Refunding and Kutak Rock is hereby removed.
- (h) Pursuant to La. R.S. 39:1426(B), the Issuer has determined to sell the Bonds at a private sale without the necessity of publishing any notice of sale. The sale of the Bonds to the Purchasers at a price of not less than 98% of par, plus accrued interest is hereby confirmed. The terms and conditions of said sale, within the parameters set forth in this Section, are hereby approved and the Mayor is authorized, empowered and directed to enter into the Bond Purchase Agreement in substantially the form attached hereto as **Exhibit B**, with such necessary changes as may be approved by the Mayor upon the advice of the Issuer Attorney and Bond Counsel, and to approve the final purchase price, maturity schedule,

principal amounts, redemption provisions and interest rate(s) of the Bonds within the parameters set forth herein. The Bonds shall be delivered to or upon the direction of the Purchasers or its agents or assigns, upon receipt by the Issuer of the agreed purchase price. The Issuer hereby ratifies, confirms and approves the form and content, and the distribution, of the Preliminary Official Statement pertaining to the Bonds submitted to this Governing Authority. The Governing Authority further authorizes and directs the Executive Office or any one of them to execute and deliver a Final Official Statement to the Purchasers for use in connection with the sale of the Bonds.

- (i) Pursuant to Section 6.01(c) of the General Bond Ordinance, the Issuer shall establish a "Senior Series 2020A Reserve Account" in the Senior Reserve Fund, which shall secure only the Series 2020A Bonds, and shall deposit to such account upon the delivery of the Bonds, an amount equal to the highest annual principal and interest requirement of the Series 2020A Bonds in any future Bond Year unless a lesser amount is approved by the Mayor in the Bond Purchase Agreement, either as a cash deposit from the proceeds of the Series 2020A Bonds or in the form of a Reserve Fund Surety Bond or Policy as permitted by Section 6.03 of the General Bond Ordinance.

Pursuant to Section 6.01(c) of the General Bond Ordinance, the Issuer shall establish a "Junior Series 2020B Reserve Account" in the Junior Reserve Fund, which shall secure only the Series 2020B Bonds, and shall deposit to such account upon the delivery of the Bonds, an amount equal to the highest annual principal and interest requirement of the Series 2020B Bonds in any future Bond Year unless a lesser amount is approved by the Mayor in the Bond Purchase Agreement, either as a cash deposit from the proceeds of the Series 2020B Bonds or in the form of a Reserve Fund Surety Bond or Policy as permitted by Section 6.03 of the General Bond Ordinance.

- (j) The Bonds issued this Series Ordinance shall be issued for the purpose of advance refunding the Refunded Bonds through the escrow of a portion of the proceeds of the Bonds, together with other available moneys of the Issuer, in Government Securities plus an initial cash deposit, in accordance with the terms of the Escrow Agreement, in order to provide 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 in Section 2(k) hereof, and for paying Costs of Issuance.
- (k) 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 Bond Ordinance, provision will have been made for the performance of all covenants and agreements of the Issuer 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.
- (l) The Escrow Agreement is hereby approved by the Issuer. The Mayor and Clerk of Council are hereby authorized and directed to execute and deliver the Escrow Agreement on behalf of the Issuer substantially in the form of Exhibit C 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.
- (m) This Governing Authority finds and determines that the parity bond requirements contained in the Resolution No. 131 of 1984 (the "**Original General Bond Resolution**") and in Section 2.06 of the General Bond Ordinance will be

complied with in respect of the Bonds, and authorizes the Mayor and Director of Finance to execute a parity certification in substantially the form attached hereto as **Exhibit D** upon delivery of the Bonds.

- (n) The Issuer, having investigated the regularity of the proceedings had in connection with the issuance of the Bonds, and having determined the same to be regular, each of the Bonds shall contain the following recital, to wit: "It is certified that this bond is authorized by and is issued in conformity with the requirements of the Constitution and status of the State of Louisiana."
- (o) The Executive Officers are each hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of this Series Ordinance, and to cause the Bonds to be prepared and/or printed, to issue, execute and seal the Bonds and to effect delivery thereof as provided herein and in the Bond Purchase Agreement. In connection with the issuance and sale of the Bonds, the Executive Officers and the Director of Finance of the City are each authorized, empowered and directed to execute on behalf of the Issuer such additional documents, certificates and instruments as they may deem necessary, including but not limited to any municipal bond insurance policy, upon the advice of Bond Counsel and Disclosure Counsel, to affect the transactions contemplated by this Series Ordinance. The signature of said officers on such documents, certificates and instruments shall be conclusive evidence of the due exercise of the authority granted hereunder.
- (p) The Bonds are NOT "qualified tax-exempt obligations"(i.e. not "**Bank Qualified**") under Section 265(b)(3) of the Code.
- (q) The Mayor is authorized to enter into a Continuing Disclosure Agreement as may be required by Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], in substantially the form recommended by the Issuer's Underwriter's Counsel.

- (r) The Mayor is authorized to enter into a Post-Issuance Compliance Certificate as may be necessary upon the advice of the Issuer's Disclosure Counsel in connection with the issuance and delivery of the Bonds, in substantially the form recommended by the Disclosure Counsel.
- (s) Approval of the State Bond Commission has been or will be obtained prior to the delivery of the Bonds.
- (t) The Governing Authority finds and determines that it may be financially advantageous for the Issuer to utilize municipal bond insurance and/or a reserve fund surety bond or bonds with respect to some or all of the Bonds. In the event that the Mayor, with the advice of the Issuer's Municipal Advisor, finds and determines that such a benefit exists, then such fact shall be stated in the Bond Purchase Agreement and the terms thereof shall be approved by the Mayor. The Issuer, acting through the Executive Officers, is further authorized to enter into such contracts and agreements with provider of such credit enhancement devices and may pay all the cost thereof from the proceeds of the sale of the Bonds or from other lawfully available funds, as provided by La. R.S. 36:1429.
- (u) In connection with the issuance and sale of the Bonds, the Executive Officers are each authorized, empowered and directed to execute on behalf of the Issuer such other documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Bond Ordinance, the signatures of the Executive Officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

SECTION 3. Parties Interested Herein; Severability. Provisions relating to parties' interest herein and severability are addressed in Sections 11.03 and 11.04 of the General Bond Ordinance.

SECTION 4. Publication. A copy of this Series Ordinance shall be published in the Official Journal of the of the Issuer, or if there is none, in a newspaper having general circulation in the Issuer. It shall not be necessary to publish the exhibits to this Series Ordinance, but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty (30) days after the date of such publication any persons in interest may contest the legality of this Series Ordinance and any provisions herein made for the security and payment of the Bonds. After such thirty (30) day period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Series Ordinance and the provisions hereof or of the Bonds authorized hereby for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the Bonds authorized pursuant to this Series Ordinance within the thirty (30) days herein prescribed, the authority to issue the Bonds or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Series Ordinance and such Bonds shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 5. Effective Date. This Series Ordinance shall become effective as provided by Section 4.23 of the City Charter.

APPROVED AS TO LEGAL FORM:

City Attorney's Office

EXHIBIT A
[FORM OF BONDS]

No. R-__

Principal Amount: _____

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
STATE OF LOUISIANA
PARISH OF CADDO

TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2020
OF THE CITY OF SHREVEPORT, STATE OF LOUISIANA

<u>Maturity Date</u> _____, 20__	<u>Dated Date</u> _____, 20__	<u>Interest Rate</u> _____%	<u>CUSIP</u> _____
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The **CITY OF SHREVEPORT, PARISH OF CADDO, STATE OF LOUISIANA** (the "**Issuer**"), promises to pay, but only from the source and as hereinafter provided to:

Registered Owner: Cede & Co. (Tax Id #13-2555119)

Principal Amount: _____ AND 00/100 (\$_____.00) DOLLARS

or registered assigns, on the Maturity Date set forth above, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or from the most recent interest payment date to which interest has been paid or duly provided for, payable semiannually on each February 1, and August 1, commencing ____ 1, __ (each an "Interest Payment Date"), at the Interest Rate per annum set forth above, until said Principal Amount is paid, unless this Bond shall have been previously called for redemption and payment shall have been duly made or provided for. The principal of this Bond, upon maturity, is payable in lawful money of the United States of America at the principal corporate trust office of Regions Bank, an Alabama state trust company, with an office in Baton Rouge, Louisiana, or successor thereto (the "Paying Agent"), upon presentation and surrender hereof. Interest on this Bond is payable by check mailed by the Paying Agent to the registered owner (determined as of the 15th calendar day of the month next preceding each Interest Payment Date) at the address as shown on the registration books of the Paying Agent.

FOR SO LONG AS THIS BOND IS HELD IN BOOK-ENTRY FORM REGISTERED IN THE NAME OF CEDE & CO. ON THE REGISTRATION BOOKS OF THE ISSUER KEPT BY THE PAYING AGENT, AS BOND REGISTRAR, THIS BOND, IF CALLED FOR PARTIAL REDEMPTION IN ACCORDANCE WITH THE BOND ORDINANCE, SHALL BECOME DUE AND PAYABLE ON THE REDEMPTION DATE DESIGNATED IN THE NOTICE OF REDEMPTION GIVEN IN ACCORDANCE WITH THE BOND ORDINANCE AT, AND ONLY TO THE EXTENT OF, THE REDEMPTION PRICE, PLUS ACCRUED INTEREST TO THE SPECIFIED REDEMPTION DATE; AND THIS BOND SHALL BE PAID, TO THE EXTENT SO REDEEMED, (i) UPON PRESENTATION AND SURRENDER THEREOF AT THE OFFICE SPECIFIED IN SUCH NOTICE OR (ii) AT THE WRITTEN REQUEST OF CEDE & CO., BY CHECK MAILED TO CEDE & CO. BY THE PAYING AGENT OR BY WIRE TRANSFER TO CEDE & CO. BY THE PAYING AGENT IF CEDE & CO. AS BONDOWNER SO ELECTS. IF, ON THE REDEMPTION DATE, MONEYS FOR THE REDEMPTION OF BONDS OF SUCH MATURITY TO BE REDEEMED, TOGETHER WITH INTEREST TO THE REDEMPTION DATE, SHALL BE HELD BY THE PAYING AGENT SO AS TO BE AVAILABLE THEREFOR ON SUCH DATE, AND AFTER NOTICE OF REDEMPTION SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH THE BOND ORDINANCE, THEN, FROM AND AFTER THE REDEMPTION DATE, THE AGGREGATE PRINCIPAL AMOUNT OF THIS BOND SHALL BE IMMEDIATELY REDUCED BY AN AMOUNT EQUAL TO THE AGGREGATE PRINCIPAL AMOUNT THEREOF SO REDEEMED, NOTWITHSTANDING WHETHER THIS BOND HAS BEEN SURRENDERED TO THE PAYING AGENT FOR CANCELLATION.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE FOLLOWING PAGES WHICH SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH HEREIN.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the General Bond Ordinance (herein defined) until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Paying Agent.

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 (the "State"). It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part necessary to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including this Bond and the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution and statutes of the State, and that said Bonds shall not be invalid for any irregularity or defect in the proceedings providing for the issuance and sale thereof and shall be incontestable in the hands of bona fide purchasers or owners for value thereof.

This Bond is one of an authorized issue aggregating in principal the sum of _____ Dollars (\$_____) (the "Bonds"), all of like tenor and effect except as to number, denomination, interest rate and maturity, the Bonds having been issued by the Issuer pursuant to Ordinance No. 95 of 2016 adopted by the City Council, acting as the governing authority (the "Governing Authority"), of the Issuer on October 11, 2016, as amended by Ordinance No. 4 of 2017 adopted by the Governing Authority on January 24, 2017 (collectively, the "General Bond Ordinance"), as supplemented by Ordinance No. __ of 2020 adopted by the Governing Authority on _____, 2020 (the "Series 2020 Supplemental Series Ordinance "and together with the General Bond Ordinance, the "Bond Ordinance"), for the purposes of the Refunding (as defined in the Bond Ordinance), and paying the Costs of Issuance (as defined in the Bond Ordinance) in the manner authorized and provided by the Refunding Act. Terms not otherwise defined herein shall have the meaning given them in the Bond Ordinance.

Optional Redemption

The Bonds are callable for at the option of the Issuer in full or in part at any time on or after _____1, 20__ at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption. A redemption of the Bonds shall be a redemption of the whole or of any part of the Bonds, provided that here shall be no partial redemption of less than \$5,000.

Mandatory Sinking Fund Redemption

The Bonds shall be redeemed prior to their maturity (and without further notice to the Owner(s) or the Paying Agent) by payment of scheduled installments, on each of the dates set forth below and in the respective principal amounts set forth opposite each such date, as follows:

Term Bond Due _____, 20__

<u>Year (_____ 1)</u>	<u>Principal Amount</u>
	\$

†

†Maturity Date

Notice of Redemption

- (a) In the event any of the Bonds are called for optional redemption, the Paying Agent shall give notice, in the name of the Issuer, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the principal corporate trust office of the Paying Agent) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and

upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail, postage prepaid, at least thirty (30) days prior to the date fixed for redemption to each Owner of the Bonds to be redeemed at its address shown on the Bond Register kept by the Paying Agent; provided, however, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

- (b) Any Bonds and portions of Bonds which have been duly selected for redemption and which are paid as set forth herein shall cease to bear interest on the specified redemption date.

In the case of any redemption in part of the Bonds, the Bonds to be redeemed will be selected by the Issuer, subject to the requirements of the Bond Ordinance. If less than all of the Bonds outstanding of a series are called for redemption under any provision of the Bond Ordinance permitting partial redemption, the particular Bonds of such series to be redeemed will be selected by the Paying Agent, in such a manner as the Paying Agent in its discretion may deem fair and appropriate.

In the event a Bond to be redeemed is of a denomination larger than \$5,000, a portion of such Bond (\$5,000 or any multiple thereof) may be redeemed. Official notice of such call of any of the Bonds for redemption will be given by the Paying Agent by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than thirty (30) days prior to the date fixed for redemption to the registered owner of each bond to be redeemed at his address as shown on the registration books of the Paying Agent.

In the case of any redemption of Bonds, the Issuer shall give written notice to the Paying Agent and the Bond Insurer of the election so to redeem and the redemption date, and of the principal amounts and numbers of the Bonds or portions of the Bonds of each maturity to be redeemed. Such notice shall be given at least forty-five (45) days prior to the redemption date.

The Bonds may be transferred, registered and assigned only on the registration books of the Paying Agent, and such registration shall be at the expense of the Issuer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instruments of transfer and assignment acceptable to the Paying Agent. A new Bond or Bonds will be delivered by the Paying Agent to the last assignee (the new registered owner) in exchange for such transferred and assigned Bonds after receipt of the Bonds to be transferred in proper form. Such new Bond or Bonds shall be in the denomination of \$5,000 for any one maturity, or any integral multiple thereof within a single maturity. Neither the Issuer nor the Paying Agent shall be required to issue, register, transfer or exchange any Bond during a period beginning at the opening of business on the fifteenth (15th) calendar day of the month preceding an Interest Payment Date and ending at the close of business on the Interest Payment Date.

This Bond, equally with the Issuer's outstanding bonds and obligations defined in the General Bond Ordinance as: "Senior Lien Bonds" (collectively, the "Senior Lien Bonds"), is secured by and payable as to principal and interest solely from the Net Revenues of the System, as more fully set forth in the General Bond Ordinance, and/or "Junior Lien Bonds"(collectively, the "Junior Lien Bonds"), is secured by and payable as to principal and interest solely from the Net Revenues of the System, after provisions have been made for the payment therefrom of all payments then due on the Senior Lien Bonds, as more fully set forth in the General Bond Ordinance.

NEITHER THIS BOND NOR THE DEBT IT REPRESENTS CONSTITUTES AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS.

The Issuer has obligated itself pursuant to the General Bond Ordinance specifically, and by this Bond declares that all of the income and revenues to be derived from the operation of the System shall be deposited promptly as the same may be collected in the Revenue Fund described in the General Bond Ordinance. The Issuer has duly covenanted and obligated itself pursuant to the General Bond Ordinance and by this Bond declares that it will fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities of the System, and all parts thereof, and to revise the same from time to time whenever necessary, as will always provide revenues in each fiscal year sufficient to pay: (a) the Operating Expenses of the System (as defined in the Bond Ordinance) in such fiscal year, (b) the Annual Debt Service (as defined in the Bond Ordinance) of the System for such Fiscal Year, and which in any event will provide net revenues in an amount equal to at least one hundred twenty-five percent (125%) of the Annual Debt Service due in such fiscal year.

For a complete statement of the manner in which various funds and accounts shall be maintained and administered, the provisions for the issuance of additional senior lien indebtedness and junior lien indebtedness pursuant to the Bond Ordinance, reference is hereby made to the General Bond Ordinance.

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.

It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond and the issue of which it forms a part to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the City Council of the City of Shreveport, State of Louisiana, acting as the governing authority of the Issuer, has caused this Bond to be signed by the Mayor and attested by its City Clerk, the corporate seal of the Issuer to be hereon impressed and this Bond to be dated as of the Dated Date set forth above.

**CITY OF SHREVEPORT
STATE OF LOUISIANA**

SEAL

By: _____
Adrian Perkins, Mayor

By: _____
Sherricka Jones, Chief Financial Officer

ATTEST:

By: _____
Arthur G. Thompson, Clerk

* * * * *

**PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION**

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

REGIONS BANK, as Paying Agent

By: _____
Kesha A. Jupiter, Vice President

DATE OF AUTHENTICATION: _____, 2020

ASSIGNMENT

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

SOCIAL SECURITY OR FEDERAL EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint _____, attorney,
to transfer said Bond on the books kept for registration thereof with full power of substitution in
the premises.

Dated: _____

Signature of Registered Owner:

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

Signature guaranteed:
(Bank, Trust Company, or Firm)

TRANSFER FEE MAY BE REQUIRED

STATEMENT OF INSURANCE

(TO BE ADDED IF BOND INSURANCE IS PURCHASED)

CERTIFICATE AS TO LEGAL OPINION

I, the undersigned Clerk of Council of the City of Shreveport, State of Louisiana, do hereby certify that the following is a true copy of the complete legal opinion of Washington & Wells, LLC and Boles Shafto, LLC, collectively, Bond Counsel, the original of which was manually executed, dated and issued as of the date of payment for and delivery of the original bonds of the issue described therein and was delivered to Wells Fargo Securities and Crews & Associates, Inc. (collectively, the "Underwriter"), representing the original purchasers thereof.

I further certify that an executed copy of the below legal opinion is on file in my office, and that an executed copy thereof has been furnished to the Paying Agent for this Bond.

Arthur G. Thompson, Clerk of Council

[LEGAL OPINION TO BE INSERTED]

EXHIBIT B

BOND PURCHASE AGREEMENT

\$ _____

**CITY OF SHREVEPORT, STATE OF LOUISIANA
WATER AND SEWER REVENUE REFUNDING BONDS**

[TO BE PROVIDED BY UNDERWRITERS COUNSEL]

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

This **ESCROW DEPOSIT AGREEMENT**, dated _____, 2020, by and among the **CITY OF SHREVEPORT, STATE OF LOUISIANA** (the "**City**" or "**Issuer**"), appearing herein through its undersigned Mayor and Clerk of Council, pursuant to an ordinance adopted by the governing authority of the Issuer on _____, 2020, and **REGIONS BANK**, an Alabama state trust company having a corporate office located in Baton Rouge, Louisiana, and duly authorized to exercise corporate trust powers, as escrow agent (the "**Escrow Agent**"), appearing herein through the hereinafter named officers, who did declare that they do together enter into and make this Escrow Deposit Agreement, upon the following terms:

WITNESSETH:

WHEREAS, pursuant to Chapter 14 of Title 39 of the Louisiana Revised Statutes of 1950, as amended and other constitutional and statutory authority and the General Bond Ordinance the Issuer has previously issued its: (i) Water and Sewer Refunding Bonds, Series 2014A, issued in the aggregate amount of Seventy Five Million Eight Hundred Thirty-Five Thousand Dollars (\$75,835,000) (the "**Series 2014A Bonds**"), (ii) Water and Sewer Revenue and Refunding Bonds, Series 2015, issued in the aggregate amount of One Hundred Twenty Million Dollars (\$120,000,000) (the "**Series 2015 Bonds**"); (iii) Taxable Water and Sewer Revenue Bonds, Junior Lien Series 2016C, issued in the aggregate amount of Eight Million Four Hundred Twenty Dollars (\$8,420,000) (the "**Series 2016C Bonds**"); and (iv) Water and Sewer Revenue Bonds, Junior Lien Series 2018C, issued in the aggregate amount of One Hundred Million Dollars (\$100,000,000) (the "**Series 2018C Bonds**" and together with the Series 2014A Bonds, the Series 2015 Bond, and the Series 2016C Bonds, the "**Refunded Bonds**"); and

WHEREAS, Chapters 14 and 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended (collectively, the "**Refunding Act**") and other constitutional and statutory authority provides that subject to the approval of the State Bond Commission and without reference to any other provisions of the laws of the State and in addition to any other authority

therefor, any public entity is authorized to issue refunding bonds for the purpose of refunding, readjusting, restructuring, refinancing, extending, or unifying the whole or any part of its outstanding securities in an amount sufficient to provide the funds necessary to effectuate the purpose for which the refunding bonds are being issued and to pay all costs associated therewith; and

WHEREAS, the Issuer is a "public entity" and the Refunded Bonds are a "security" within the meaning of the Refunding Act; and

WHEREAS, the Issuer has found and determined that refunding the Refunded Bonds, would be financially advantageous to the Issuer and would result in certain debt service savings and/or cash flow relief; and

WHEREAS, the Issuer has authorized the issuance of _____ Dollars (\$ _____) of its Taxable Water and Sewer Revenue Refunding Bonds, Series 2020 (the "**Bonds**"), for the purpose of: (i) refunding and/or defeasing the Refunded Bonds, pursuant to an ordinance adopted by the governing authority of the Issuer on _____, 2020 (the "**Series Ordinance**" and together with the General Bond Ordinance the "**Bond Ordinance**"); and (ii) paying the costs of issuance of the Bonds (collectively, the "**Refunding**"); and

WHEREAS, the Bond Ordinance provides that a portion of the proceeds from the sale of the Bonds (exclusive of accrued interest, if any), together with certain additional moneys to be provided by the Issuer in relation to the Refunded Bonds, shall be placed in escrow with the Escrow Agent and, together with the interest earned from the investment thereof, will be sufficient to pay the principal of, premium, if any, and interest on the Refunded Bonds as the same mature and become due or are redeemed;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and in order to provide for the aforesaid refunding and thereby reduce annual debt service on the Refunded Bonds, the parties hereto agree as follows:

SECTION 1. Establishment of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund (herein called the "**Escrow Fund**") to be held in the custody of the Escrow Agent separate and apart from other funds of the Escrow Agent. Receipt of a true and correct copy of the Bond Ordinance is hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of said Bond Ordinance shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if fully set forth herein.

SECTION 2. Deposit to Escrow Fund; Application of Moneys. Concurrently with the issuance and delivery of the Bonds, the Issuer will cause to be deposited with the Escrow Agent the sum of \$_____ from the proceeds of the Bonds (the "**Bond Proceeds**"). The Issuer will further cause to be deposited with the Escrow Agent the sum of \$_____ from the Issuer's debt service fund for the Refunded Bonds (the "**Prior Issuance Amounts**"). Such funds will be applied as follows:

- \$ _____ of Prior Issuance Amounts to the Escrow Fund to purchase the Escrow Obligations (hereinafter defined) described in **Schedule A-1** attached hereto;
- \$ _____ of Bond Proceeds to the Escrow Fund to purchase the Escrow Obligations described in **Schedule A-2** attached hereto;
- \$ _____ of Prior Issuance Amounts to the Escrow Fund to establish the initial cash deposit therein;
- \$ _____ of Bond Proceeds to the Escrow Fund to establish the initial cash deposit therein; and
- \$ _____ of Bond Proceeds to the Expense Fund created in Section 3 hereof.

- (a) Concurrently with such deposits, the Escrow Agent shall apply the moneys described in (i) and (ii) above to the purchase of the obligations described in **Schedule A** attached hereto. The obligations listed in **Schedule A** hereto and any other direct obligations of the United States Government are hereinafter referred to as the "**Escrow Obligations.**" All documents evidencing the book entries of the Escrow Obligations shall be held by the Escrow Agent and appropriate evidence thereof shall be furnished by the Escrow Agent to the Issuer. As shown in **Schedule B** attached hereto, the Escrow Obligations shall mature in principal amounts and pay interest in such amounts and at such times so that sufficient moneys will be available from such Escrow Obligations (together with other moneys on deposit in the Escrow Fund) to pay, as the same mature and become due or are redeemed, the principal of, premium, if any, and interest on the Refunded Bonds as shown on **Schedule C**. The Issuer, on the basis of a mathematical verification of an independent certified public accountant, has heretofore found and determined that the investments described in said **Schedule A** are adequate in yield and maturity date in order to provide the necessary moneys to accomplish the refunding of the Refunded Bonds as shown on **Exhibit C**.
- (b) All documents evidencing the book entries of the Escrow Obligations shall be held by the Escrow Agent and appropriate evidence thereof shall be furnished by the Escrow Agent to the Issuer.
- (c) In the event that, on the date of delivery of the Bonds, there is not delivered to the Escrow Agent any of the Escrow Obligations, the Escrow Agent shall accept delivery of cash and/or replacement obligations which are direct, non-callable general obligations of or guaranteed by the United States of America (collectively, "**Government Securities**"), in lieu thereof. An obligation shall qualify as a Replacement Obligation or other permitted substitution obligation only if:

- (i) such Replacement Obligation is in an amount, and/or matures in an amount (including any interest received thereon), which together with any cash or Government Securities substituted for the Escrow Obligation is equal to or greater than the amount payable on the maturity date of the Escrow Obligation which the substitution occurred,
- (ii) such Replacement Obligation matures on or before the next date on which the Escrow Obligation which are substituted for will be required for payment of principal of, premium, if any, or interest on the Refunded Bonds, and
- (iii) the Escrow Agent shall have been provided with (A) a mathematical verification of an independent certified public accountant that the Replacement Obligations are sufficient to pay the principal, interest and premium of the Refunded Bonds as provided herein and (B) an opinion of nationally recognized bond counsel to the effect that the substitution is permitted hereunder and has no adverse effect on the exclusion from gross income for federal income tax purposes of interest on the Bonds or the Refunded Bonds.

To the extent that any Escrow Obligation matures before the payment dates shown in **Schedule C**, the Escrow Agent may invest for the benefit of the Issuer such cash in other Escrow Obligations provided that the investment in such other Escrow Obligations mature on or before dates pursuant to Section 6 in such amounts as equal or exceed the Section 6 requirements and that such investment does not cause the Bonds or the Refunded Bonds to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended.

- (a) The Escrow Agent shall collect and receive the interest accruing and payable on the Escrow Obligations and the maturing principal amount of the Escrow

Obligations as the same are paid and credit the same to the Escrow Fund, so that the interest on and the principal of the Escrow Obligations, as such are paid, will be available to make the payments required pursuant to Section 6 hereof.

- (b) In the event there is a deficiency in the Escrow Fund, the Escrow Agent shall notify the Issuer of such deficiency, and the Issuer shall immediately remedy such deficiency by paying to the Escrow Agent the amount of such deficiency. The Escrow Agent shall not be liable for any such deficiency, except as may be caused by the Escrow Agent's negligence or willful misconduct.

SECTION 3. Establishment of the Costs of Issuance Account; Use of Moneys in Costs of Issuance Account. There is also hereby created and established with the Escrow Agent a special trust account to pay the Costs of Issuance of the Bonds, as defined in the Bond Ordinance (herein called the "**Costs of Issuance Account**") to be held in the custody of the Escrow Agent separate and apart from any other funds of the Issuer and the Escrow Agent, to which the amount of the proceeds derived from the issuance and sale of the Bonds hereinabove set forth are to be deposited. The amounts on deposit in the Costs of Issuance Account shall be used for and applied to the payment of the Costs of Issuance of the Issuer in connection with the issuance, sale and delivery of the Bonds and the establishment of the funds hereunder; and pending such disbursement moneys in the Costs of Issuance Account shall be invested by the Escrow Agent as directed by the Issuer. Payment of the aforesaid expenses shall be made by the Escrow Agent from the moneys on deposit in such Costs of Issuance Account for the purposes listed in **Schedule D** hereto upon receipt by the Escrow Agent of either an invoice or statement for the appropriate charges, or a written request of the Issuer signed by the Mayor or Director of Finance of the Issuer, which request shall state, with respect to each payment to be made, the person, firm or corporation to whom payment is to be made, the amount to be paid and the purpose for which the obligation to be paid was incurred. Each such invoice, statement or written request shall be sufficient evidence to the Escrow Agent that the payment requested to be made from the moneys on deposit in such Costs of Issuance Account is a proper payment to the person named therein in the amount and for the purpose stated therein, and upon receipt of such invoice, statement or written request, and the Escrow Agent shall pay the amount set forth therein as

directed by the terms thereof. When all expenses contemplated to be paid from such Costs of Issuance Account have been paid, such fund shall be closed and any balance remaining therein shall be withdrawn by the Escrow Agent and applied by the Issuer to the payment of principal of Bonds next falling due.

SECTION 4. Deposit to Escrow Fund Irrevocable. The deposit of the moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys exclusively for the benefit of the owners of the Refunded Bonds and such moneys and Escrow Obligations, together with any income or interest earned thereon, shall be held in escrow and shall be applied solely to the payment of the principal of, premium, if any, and interest on the Refunded Bonds as the same mature and become due or are redeemed. Subject to the requirements set forth herein for the use of the Escrow Fund and the moneys and investments therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and investments therein and the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and investments therein.

SECTION 5. Use of Moneys. The Escrow Agent shall apply the moneys deposited in the Escrow Fund and the Escrow Obligations, together with any income or interest earned thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder, or to make substitutions of the Escrow Obligations held hereunder or to sell, transfer or otherwise dispose of the Escrow Obligations acquired hereunder, except as provided in Section 2(d) above.

The liability of the Escrow Agent for the payment of the amounts to be paid hereunder shall be limited to the principal of and interest on the Escrow Obligations and cash available for such purposes in the Escrow Fund. Any amounts held as cash in the Escrow Fund shall be held in cash without any investment thereof, not as a deposit with any bank, savings and loan or other depository.

SECTION 6. Payment of Refunded Bonds. The Escrow Agent shall receive the matured principal of and the interest on the Escrow Obligations as the same are payable and shall apply same as provided in Section 2 above and **Schedule C**.

SECTION 7. Notice of Redemption. The Escrow Trustee, in its capacity as paying agent for the Refunded Bonds, will cause a notice of defeasance and notice of redemption for the Refunded Bonds to be given in the manner provided by the General Bond Ordinance.

SECTION 8. Remaining Moneys in Escrow Fund. Upon the retirement of the Refunded Bonds, any amounts remaining in the Escrow Fund shall be paid to the Issuer as its property free and clear of the trust created by the Indenture and this Agreement and shall be transferred to the Issuer.

SECTION 9. Rights of Owners of Refunded Bonds. The escrow created hereby shall be irrevocable and the owners of the Refunded Bonds shall have a beneficial interest and a first, prior and paramount claim on all moneys and Escrow Obligations in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

SECTION 10. Fees of Escrow Agent. In consideration of the services rendered by the Escrow Agent under this Agreement, the Issuer has paid to the Escrow Agent its reasonable fees and expenses, and the Escrow Agent hereby acknowledges (i) receipt of such payment and (ii) that it shall have no lien whatsoever upon any moneys in the Escrow Fund. In no event shall the Issuer be liable to any person by reason of the transactions contemplated hereby other than to the Escrow Agent as set forth in this Section 10.

The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract, or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys and securities deposited therein, the purchase of the Escrow Obligations, the retention of the Escrow Obligations or the proceeds thereof or any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any act, omission or error of the Escrow Agent made in good faith and without negligence in the conduct of its duties.

SECTION 11. Enforcement. The Issuer, the paying agent for the Refunded Bonds and the owners of the Refunded Bonds shall have the right to take all actions available under law or equity to enforce this Agreement or the terms hereof.

SECTION 12. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of escrow agent hereunder. In such event the Issuer, by appropriate order, shall promptly appoint an escrow agent to fill such vacancy.

Any successor escrow agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor escrow agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor escrow agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor escrow agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor escrow agent a proportional part of the Escrow Agent's fee hereunder.

The Escrow Agent may be removed at any time by an instrument or concurrent instrument in writing delivered to the Escrow Agent by the Issuer.

SECTION 13. Successors Bound. All covenants, promises, and agreements in this Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer, the Escrow Agent and the owners of the Refunded Bonds, whether so expressed or not.

SECTION 14. Records and Reports. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money and Escrow Obligations deposited to the Escrow Fund and all proceeds thereof. With respect to each investment of the proceeds of Escrow Obligations, the Escrow Agent shall record, to the extent applicable, the

purchase price of such investment, its fair market value, its coupon rate, its yield to maturity, the frequency of its interest payment, its disposition price, the accrued interest due on its disposition date and its disposition date. Such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Bonds.

SECTION 15. Amendments. This Agreement may be amended with the consent of the Issuer and the Escrow Agent (i) to correct ambiguities, (ii) to strengthen any provision hereof which is for the benefit of the owners of the Refunded Bonds or the Bonds or (iii) to sever any provision hereof which is deemed to be illegal or unenforceable; and provided further that this Agreement shall not be amended unless the Issuer shall deliver an opinion of nationally recognized bond counsel, that such amendments will not cause the Bonds or the Refunded Bonds to be "arbitrage bonds".

SECTION 16. Louisiana Law Governing. This Agreement shall be governed by the applicable laws of the State.

SECTION 17. Termination. This Agreement shall terminate when all of the Refunded Bonds have been paid as aforesaid and any remaining moneys have been paid to the Issuer.

SECTION 18. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the Issuer or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 19. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Escrow Deposit Agreement as of the day and year first above written.

**CITY OF SHREVEPORT,
STATE OF LOUISIANA**

By: _____
Arthur G. Thompson, Clerk of Council

By: _____
Adrian Perkins, Mayor

WITNESSES:

**REGIONS BANK,
as Escrow Agent**

By: _____
Kesha A. Jupiter, Vice President

WITNESSES:

SCHEDULE A-1

SCHEDULE OF ESCROW SECURITIES PURCHASED WITH EXISTING FUNDS

[TO COME]

SCHEDULE A-2

SCHEDULE OF ESCROW SECURITIES PURCHASED WITH BOND PROCEEDS

[TO COME]

SCHEDULE B

ESCROW CASH FLOW AND PROOF OF SUFFICIENCY

[TO COME]

SCHEDULE C

DEBT SERVICE ON REFUNDED BONDS

[TO COME]

SCHEDULE D

COSTS OF ISSUANCE

[TO COME]

EXHIBIT D

FORM OF PARITY CERTIFICATION

\$ _____

**TAXABLE WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 2020
OF THE CITY OF SHREVEPORT, STATE OF LOUISIANA**

Pursuant to Section 2.06 of Ordinance No. 95 of 2016 adopted by the City Council, acting as the governing authority, of the City of Shreveport, State of Louisiana (the "**Issuer**") pursuant to an ordinance adopted on October 11, 2016, as amended and restated by Ordinance No. 4 of 2017 adopted on January 24, 2017 (collectively, the "**General Bond Ordinance**"), the undersigned Mayor and Director of Finance of the Issuer do hereby certify as follows in connection with the issuance and delivery of the above-captioned issues of bonds (the "**Bonds**"):

1. Capitalized terms used in this certification shall have the meaning assigned thereto in the General Bond Ordinance and (b) Series Ordinance No. ____ under the General Bond Ordinance, adopted _____, 2020 (collectively, the "**Bond Ordinance**") that authorizes the issuance of the Bonds.
2. The undersigned have reviewed the financial statements of the City for the Fiscal Year ended December 31, 2019, which is the Fiscal Year immediately preceding the date of issuance of the Bonds, and the calculation of the Net Revenues of the System for such Fiscal Year is shown in the following table:

Revenues of the System	\$ _____
Less: Operating Expenses of the System	\$ _____
Plus: Depreciation and Amortization	\$ _____
NET REVENUES OF THE SYSTEM	\$ _____

3. The average Annual Debt Service on all outstanding issues of Senior Lien Bonds and Junior Lien Bonds, together with the proposed Annual Debt Service on the Bonds, and the resulting coverage ratios based on the Net Revenues of the System for FY2019, as calculated in accordance with Section 2.06 of the General Bond Ordinance are shown in the following table:

	Senior <u>Lien Bonds</u>	Junior <u>Lien Bonds</u>
Average Annual Debt Service prior to the Bonds	\$ _____	\$ _____
Average Annual Debt Service including the 2019B Bonds	\$ _____	\$ _____
Average Annual Debt Service including the 2019C Bonds	\$ _____	\$ _____
Average of both Senior and Junior Lien Bonds	\$ _____	\$ _____
Coverage Ratio based on FY2018 Net Revenues of the System.	\$ _____	\$ _____

4. The payments required to be made into the various funds provided in Section 6.01 of the General Bond Ordinance are current as of this date.
5. No Event of Default under the General Bond Ordinance or under Original General Bond Resolution (as defined in the Bond Purchase Agreement), or under any series resolution or ordinance (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists as of this date.

IN FAITH WHEREOF, witness our official signatures on this, the ___ day of _____, 2020.

**CITY OF SHREVEPORT,
STATE OF LOUISIANA**

By: _____
Adrian Perkins, Mayor

By: _____
Sherricka Jones, Chief Financial Officer