

**MINUTES OF THE  
SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY – EAST  
BOARD MEETING  
THURSDAY, APRIL 17, 2008**

The regular monthly Board Meeting of the Southeast Louisiana Flood Protection Authority - East (Authority or SLFPA-E) was held on Thursday, April 17, 2008, in the Second Floor Council Chambers, Joseph Yenni Building, Harahan, Louisiana, after due legal notice of the meeting was sent to each member and the news media and posted.

Mr. Doody called the meeting to order at 9:35 a.m. and led the Board in the pledge of allegiance.

The roll was called and a quorum of the Board was present.

Present:

Timothy P. Doody, President  
Abril B. Sutherland, Vice President  
John M. Barry, Secretary  
Stradford A. Goins  
Thomas L. Jackson  
Larry A. McKee  
Louis E. Wittie

Absent:

George Losonsky, Ph.D., Treasurer  
David P. Barnes, Jr.  
Ricardo S. Pineda  
Sara Lee St. Vincent

**OPENING COMMENTS:**

Mr. Doody stated at the Operations Committee meeting Mr. McKee suggested the need for all the levee districts to look homogeneous. He asked the levee districts at this time to begin e-mail sharing and for Mr. Turner to coordinate the hosting of e-mail at the Orleans Levee District by the next meeting for internal communications among the districts.

Mr. Doody commented on Sheila Grisset's lengthy article in today's Times Picayune concerning the East Jefferson levees and a new modeling method used that revealed potential problems in raising those levees. This points out the need to use the newest technology and theories and for constant evaluation of the entire protection system. Although some members of the Board have technical backgrounds, which helps in reviewing information, the sole responsibility for design and construction of the flood protection system by Congressional mandate rests with the U.S. Army Corps of Engineers (USACE).

Mr. Doody advised he and Mr. Barry and Ms. Campbell traveled to Washington, D.C., to

discuss the resolutions adopted last month by the Board and the surrounding parishes regarding the 100 year level of protection. The resolution asked many things; however, what seemed to find a home with some Congressmen, however, not with the Administration, was the 30 year term extension and the return to the traditional cost share. He urged the public to write their legislative leaders regarding this issue.

Mr. Barry explained there is still a problem in getting money in the supplemental appropriation, which will begin to move possibly as early as next week. The Administration opposes putting the money in the supplemental appropriation and wants it to go in the regular budget process, which would ultimately mean the money would not be obtained in time to have any chance of finishing the system for the 2011 hurricane season. However, the Congressional leadership seems receptive to placing the money in the supplemental appropriation.

Mr. Doody added, the individuals they met with were reminded about how much the State paid prior to Katrina; i.e., approximately \$210 million, for what was believed to be a 200-300 year level of protection, and that had the original estimate been what is now said to be a realistic estimate, the country at that time probably would have said to build the system, which constitutes a missed opportunity. They were also reminded of those things which have benefited the country, but have caused Louisiana to suffer; e.g., over 10,000 miles of pipeline, the Gulf Intracoastal Waterway, the Mississippi River Gulf Outlet and the Mississippi River levee system, which robs the State of a great deal of sediment. He stated Louisiana has done its part for the country and is asking for a hand-up—not a hand out.

Mr. Doody advised the Bonnet Carre Spillway, which was last opened in 1997, was recently opened, and he was impressed by how much sediment will remain after the Spillway is closed that will eventually be trucked away by contractors at their expense. This sediment could have potentially gone into the LaBranche wetlands area without a great deal of engineering. Therefore, he would encourage the USACE to plan better for the use of this sediment in advance of opening the Bonnet Carre Spillway in the future.

#### **RESOLUTION #04-17-08-01 – ADOPTION OF AGENDA**

On the motion of Mr. Goins,  
Seconded by Mr. Barry, the following resolution was offered:

A resolution to adopt the agenda for the Board Meeting of April 17, 2008.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

#### **RESOLUTION #04-17-08-02 – APPROVAL OF MINUTES**

On the motion of Mr. McKee,

Seconded by Mr. Barry, the following resolution was offered:

A resolution to approve the minutes of the Board Meeting of March 20, 2008.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

### **PUBLIC COMMENTS:**

Mr. John Keenan, a resident of Lakeview, expressed his concern about the protection of trees over the need for flood protection. He commented that hundreds of thousands of people filed law suits against the USACE after the flood; however, when the USACE starts to do the right thing, this is what happens and the safety of the city is measured out in inches. He added, if a 100 year storm protection system was sufficient, he could understand, but it is not sufficient enough. Coastal erosion is bringing the Gulf closer to the door steps of the City every day. There are no trees growing in Holland's 10,000 year storm system levees, and if the USACE built such a system, people would be losing homes, instead of just trees. He asked if the USACE cannot be sued, who would be responsible for losses when termite infestation or a wind storm knocks trees over in the current sub-standard levee system and results in another failure? He stressed that cannot be allowed to happen and asked the Board to do the right thing.

Mr. Roy Arrigo commented he has often heard the Board say it has one mission, that of flood protection, and he wanted to point out that it sounds like the Board is saying flood protection at any cost. He stated he is not opposed to getting this done, but it should be done in the right way with compensation for the homeowners.

Mr. Donte V. Maraldo advised he was appearing as a resident and on behalf of the homeowners on Bellaire Drive. He stated three years after the USACE's incompetence and negligence directly caused the worse natural disaster in the history of the United States, the USACE intends to take the property of the home owners along Bellaire Drive without compensation by saying this is a safety issue. The homeowners want the USACE to apply the fair compensation provided under the law and to work with them towards that end. The USACE initially acknowledged that it would have to pay for property taken along Bellaire Drive—this was the subject of a Times Picayune article dated December 6, 2005 that he provided to the Board. There is no reference in that article towards taking property without compensation and a reference is made to the USACE's Real Estate Department working with homeowners to provide compensation.

As background on this issue, Mr. Maraldo explained the USACE obtained an opinion from the Louisiana Attorney General dated September 5, 2006, which he provided to Board members, concerning the application of R.S. 19:14, referred to as the St. Julien Doctrine, to levees in the Lake Borgne Basin Levee District. The homeowners discovered the USACE specifically requested this opinion to develop a blue print or frame work to take homeowners' property without compensation. The opinion was

requested in the Lake Borgne Basin Levee District so as not to raise a red flag for residents along the 17<sup>th</sup> Street, Orleans and London Avenue Canals. After receiving the opinion, the USACE's tact changed from working with the Real Estate office for fair compensation to taking property without any compensation. The USACE has acknowledged there are no such servitudes, easements or right-of-use on any of the titles or surveys. Unless homeowners force these issues, the USACE will continue at the expense of the homeowners. The USACE is citing R.S. 38:225, which provides for right of use to construct, operate, maintain, rehabilitate and repair the levee, including the right to remove obstructions and encroachments within six-feet of the toe of the levee. He then cited Art. 496 of the Civil Code, which states, "When constructions, plantings, or works are made by a possessor in good faith, the owner of the immovable may not demand their demolition and removal. He is bound to keep them and at his option to pay to the possessor either the cost of the materials and of the workmanship, or their current value, or the enhanced value of the immovable."

Mr. Maraldo pointed out that the amendment to R.S. 19:14 passed by the Legislature in 2007 to clarify that the statute provides that property owners are entitled to compensation when their property is expropriated should be considered. A new section was added to the statute stating, "The provisions of this Section shall not be deemed to authorize the acquisition of any interest in privately owned immovable property adjoining such facilities, including but not limited to a servitude, right of use, or a right of passage across or access to the private immovable property adjoining such facilities." By the USACE exercising maintenance rights, homeowners would still have to pay property taxes and remain responsible for liability on that property. However, Mr. Maraldo stated, this action constitutes an expropriation or taking under the law, and such a taking without compensation is prohibited under the State and Federal Constitutions.

Mr. Maraldo advised another argument used by the USACE is that the homeowners' right to seek compensation has prescribed, using R.S. 13:5111, which states, "Actions for compensation for property taken by the state, a parish, municipality, or other political subdivision or any one of their respective agencies shall prescribe three years from the date of such taking." According to the USACE, the property was taken when the levee was built several decades ago; therefore, prescription expired several decades ago. The initial taking or right of use by the USACE was lost due to their failure to maintain the property or exercise their rights of use. What the USACE is attempting to do now constitutes a new taking and prescription has not yet commenced. R.S. 13:5111 further states, "The rights of the landowner herein fixed are in addition to any other rights he may have under the constitution of Louisiana and existing statutes, and nothing in this Part shall impair any constitutional or statutory rights belonging to any person on September 12, 1975." He reiterated the homeowners have rights under the State and Federal Constitutions to be compensated for expropriated property. He stated the USACE has also gone so far as to take the position that rights to compensation under R.S. 19:14 effecting causes of action do not pass through the title, and that the only homeowners who have a right to seek compensation were those decades ago when the levee was built. He indicated this argument has no merit since, in fact, the taking is happening now.

Mr. Maraldo commented the homeowners along the London Avenue Canal had little resources, were not well organized and had less information at the time their property was taken by the USACE. The USACE then turned its attention to the 17<sup>th</sup> Street Canal starting from the lake and moving southward. He implored the residents of the London Avenue Canal to re-examine this issue.

Mr. Maraldo explained he spoke to Representative Lorusso, who sponsored the 2007 amendment to R.S. 19:14, and he has offered to address the Board, if necessary, to clarify the intent of the statute and thought it was unconscionable that the USACE is attempting to use a State statute for this taking. He added, should relief not be gained through Legislative change, then the property owners will have to seek relief through the courts. He felt the Attorney General opinion used by the USACE is outdated and inaccurate. Mr. Maraldo clarified he is an interested homeowner and has not been formally retained, and that the homeowners requested he address the Board. He further advised Representative Lorusso's office is in the process of drafting legislation to further clarify R.S. 19:14 and 38:225.

Mr. McKee asked Mr. Maraldo, other than the compensation issue, did he have an opinion on the merits of what the USACE is proposing to do.

Mr. Maraldo replied, the problem is the USACE goes back and forth on what it is proposing to do and it appears to be based on whether or not compensation is involved. He was not against the USACE perhaps taking six feet of property, if it is needed, in theory; however, under the Constitution the property owners should be compensated at fair market value. The USACE maintains that the property is needed for maintenance purposes; however, homeowners will still have to cut the grass, pay taxes and retain liability, but cannot place any permanent structure on the property. Also, the homeowners have not received a clear answer from the USACE regarding use.

Ms. Denise Ducote presented the comments of Amy Sins, a resident on Bellaire Drive who was unable to attend the meeting, concerning the taking of private property in violation of the Constitution without compensation. She stated comment is allowed only prior to presentations by the USACE and the lack of debate allows the USACE to misrepresent details and create an atmosphere after residents have voiced their concerns. She advised the USACE would be taking as much as 25 feet of Mrs. Sins property and not the six feet that it is using as an average.

Retired Sgt. Major J. O. Hamm, USMC, presented the comments of his son-in-law Albert Zinniger, a resident on Bellaire Drive, who was unable to attend. He commented that after Katrina he returned home and was assured directly by the USACE that his property was not needed for expropriation since the floodgates were being built at the end of the canal. He asked that the residents not be punished for the USACE's incompetence by saddling them with taxes, maintenance costs, and additional demolition and construction costs for a piece of land that will never make it back into public commerce and would remain a burden. He commented concerning the devastation resulting from Hurricane Katrina and that he was appalled the USACE is allowed to even consider commandeering property without paying compensation to

property owners and that the property owners are seeking justice.

Mrs. Epsie Hennesy, a resident on Bellaire Drive in the “fattened levee area”, invited Board members to walk the levee and stressed the importance of actually seeing the site. She commented that if fences are moved 6-feet, then use of that property would be lost. The USACE has placed a sense of urgency on this request, although it is now two years after Katrina.

Mr. Arthur Sargent advised his comments had been addressed by previous speakers.

Ms. Karen Daray, a resident on Bellaire Drive, stated the residents were being misrepresented as caring only for their property and not the safety of the city or its citizens. She stated there is no risk of breach or break in this levee section and that it is solid, deep, wide and secure. The USACE felt its work was done as far as beefing up the levee, but now wants to pull up trees and fences that are over seven feet from the water to protect the City, which she thought was illogical. She asked the Board to take a look at what is really at stake and determine the truth. She indicated she had no intention of losing an inch of her property and that the USACE did not need it; however, if they feel they must take the property, then they should be told to pay for it.

Mr. Edward Feinman, a resident on Bellaire Drive, commented this issue started in 1930 with a Sewerage & Water Board contract to widen and dredge the canal and 300,000 cubic feet of dirt was placed on the east (Orleans Parish) side of the existing protection levee. He further commented on testing performed on a section of the canal by Eustis Engineering in the 1980’s and that the 4-feet is irrelevant to the safety of the fattened levee area. He thought the Authority was only hearing one side of everything without having an independent analysis of the situation.

Mr. Doody advised he had walked this levee section when the Authority first began dealing with this issue and would try to schedule some time to visit the area again.

Ms. Sutherland commented on the Authority’s need to rely on scientific information and that the Board cannot act as a court of law and interpret law.

Mr. Goins mentioned he still had not received the final test results from the USACE on the London Avenue Canal Load Test which would provide information and data on this floodwall and that in his opinion the floodwalls along the London Avenue and 17<sup>th</sup> Street Canals are inadequate and should be replaced. He added, he would not vote on this issue until the USACE provides the information necessary to make a decision.

Mr. Jackson stated he spent months of his personal time attending meetings with the USACE in which talented experts participated on area drainage stations. In his mind the only reasonable solution was to build stations near the lake, remove the existing interior pumping stations and to flow each of the outfall canals by gravity to the lake. If the lakefront pumping stations were built the right way as supported by the group, this would be a moot issue. The Sewerage & Water Board has refused to date to commit that it will operate the lakefront pumping stations in series; i.e., with the existing interior

stations. He expressed his disappointment in not being able to move this forward.

Mr. McKee noted public comments were received at the Operations Committee meeting on this matter and the Committee had suggested that the USACE be given the right-of-entry; however, the intent was to take action to move the issue forward. Subsequent to the Committee meeting, he spoke for about a hour with a member of the public about this issue and committed himself to not give the USACE the right-of-entry at this meeting or for thirty days.

### **PRESENTATIONS:**

#### **Presentation by U.S. Army Corps of Engineers on right-of-entry for tree and fence removal activities and related surveys in the “fattened levee area” of the 17<sup>th</sup> Street Canal.**

Mr. Brett Herr with the USACE provided a Power Point presentation to update the Board on the tree removal efforts along the 17<sup>th</sup> Street Canal. The USACE’s foremost mission is public safety and the goal was to have the trees removed by the start of the 2008 hurricane season. The gates constructed at the lake do not eliminate high water in the outfall canals. A safe operating water level has been developed for each of the canals. The USACE has been dealing with sponsors, stakeholders and the residents living in the effected area for the past year and working hard attempting to minimize the impacts that would result from the tree and fence removal efforts. Several surveys have been conducted, along with a detailed geotechnical analysis.

Concerns associated with trees were explained; i.e., roots can cause seepage paths in the levee system and weaken levee stability, and trees can be uprooted and blown over by high winds. The fences themselves are not a concern; however, concerns are that trees typically establish themselves along fence lines and fences make levee inspection difficult. USACE regulations require that all trees be removed from levees and failure to do so can lead to a loss of benefits under Public Law 84-99 (assistance after a natural disaster) and decertification of levees, which would lead to higher flood insurance rates through FEMA. The situation and concerns about trees on hurricane protection levees and riverine levees are somewhat different because hurricane protection levees can experience extreme high winds during a hurricane. Research performed after Hurricane Katrina did not show that trees were the direct cause of any breaches in the levee system; however, there are several reports that mention it could have been a contributing factor to some of those failures.

Trees on levee systems are a nationwide problem and local sponsors throughout the country are being asked to remove trees from existing levee systems. Operation and maintenance of most federal flood protection systems is a non-federal responsibility. The USACE recognized the limited resources of local sponsors after Hurricane Katrina and is doing this work at 100 percent federal cost; however, this is not typical of what is occurring throughout the rest of the country where tree and fence removal is being done at local cost. Should the USACE be unable to do this work, the responsibility would fall back to the local sponsor.

A slide specific to the “fattened” levee section in Lakewood South illustrated an overbuilt levee section. USACE regulations allow for vegetation in overbuilt levee sections; however, regulations also require a three foot root free zone to insure the integrity of the levee system. The three foot root free zone plus the three foot distance that roots can extend into the ground below an existing tree equals the six-foot distance from the toe of the levee.

A typical cross section specific to the “fattened” levee section illustrated a theoretical levee section, which is the minimum required section for protection against a water stage of eight feet in the canal. A safe water level of eight feet was arrived at by taking the six-foot safe water elevation and adding a two foot gradient for when Pump Station 6 is pumping into the canal. The levee has been shifted as far to the right as possible.

A drawing showed the progression from the line that was based on 1948 and 1968 surveys, to the line showing the theoretical toe plus six-feet presented in January, to the current line representing the extent of the tree and fence removal efforts developed after meeting with residents and revising the analysis to include the levee section on the floodside of the floodwall. The final line has been staked in the field and a team is identifying trees and fences within the theoretical levee toe plus six feet. This inventory will be provided to SLFPA-E, the Orleans Levee District (O.L.D.) and the Department of Transportation and Development (DOTD). A site visit will be scheduled next week or the following week to walk the entire levee with that inventory and as a team decide what needs to be removed and what can stay. Mr. Herr stressed in some instances the line is very close to the existing fence line and engineering judgment will be needed to determine what should be removed. The USACE wants this to be a collaborative effort with the stakeholders. The latest line has significantly reduced impacts.

The USACE’s proposed actions were reviewed. The goal is to have trees and fences removed by the start of the 2008 hurricane season. A right-of-entry was requested for the entire east side of the 17<sup>th</sup> Street Canal—both the northern and southern reaches—by April 30<sup>th</sup>. Tree and fence removal is estimated to take three to four weeks. Should the Board defer its decision until the next Board meeting, it would delay efforts, but trees and fences could be removed during the early part of the hurricane season.

Last September detailed maps were sent to each land owner in the northern reach showing exactly what obstructions were in the levee toe plus six feet and no changes were made in those plans. The northern reach contains 116 properties; 78 are impacted and 38 have no impact.

Maps are being prepared for the southern reach showing trees and fences in the theoretical levee toe plus six feet. The southern reach (Lakewood South) has a total of 44 properties. The USACE was able to reduce impact to 27 of those properties.

The theoretical levee section is what the USACE would actually build if nothing was on the ground and a levee built to provide protection for an eight foot water elevation. The analysis was based on pre-Katrina criteria and does not include the new design criteria.

Should the new design criteria be incorporated, the section could actually increase.

Mr. Doody commented on the length of time to arrive at this point and advised a thirty day extension for a decision was requested since the survey stakes were not in the ground as late as last Wednesday. This thirty day extension will also provide an opportunity for residents to take whatever actions they feel necessary.

Mr. Herr explained the USACE would like to go to the site as a team with SLFPA-E, O.L.D. and DOTD, decide what needs to be removed, and then letters would be sent to property owners.

A motion was offered by Mr. McKee, seconded by Mr. Goins and unanimously adopted, to defer the decision for the right-of-entry until the May Board meeting.

**The Board considered Agenda Items XIII.D.3 and 4 (Issuance of \$35,000,000 of O.L.D. Improvement Refunding Bonds and \$22,100,000 of O.L.D. Public Improvement Refunding Bonds) as the next order of business.**

Mr. Doody advised this matter was discussed at the Finance Committee meeting. The Authority is required by Act 475, which created the Algiers Levee District last year, to refinance the Orleans Levee District's bond indebtedness before July, 2008. Mr. Jarrell Godfrey has been retained to advise the Authority on this issue.

Mr. Jarrell Godfrey of the Godfrey Firm explained two taxes are collected by the Orleans Levee District (O.L.D.) and pledged as security for bonds; i.e., the General Tax authorized by the LA Constitution at 2.5 mils for the O.L.D. (5 mils for other levee districts), which has been adjusted over the years to the current rate of 4.13 mils, and the Special Levee Improvement (SLIP) Tax, which was authorized by a special election in 1972 and reauthorized in 1983. The Levee Improvement Bonds and General Improvement Bonds of 1986 were converted to fixed rate bonds in 1995, and Levee Improvement Refunding Bonds and Public Improvement Refunding Bonds were issued in 1996. The bonds are outstanding in the amounts of \$19,550,000 and \$1,500,000 for the Public Improvement Bonds, secured by the General Tax, and \$30,105,000 and \$3,375,000 for the Public Improvement Bonds, secured by the SLIP Tax. The taxes were collected both on the east and west banks at the time they were imposed. In order to prevent the bonds holders from saying there was an impairment of the security of their bonds because of the re-organization due to Act 475 of 2007, the act provided that all taxes collected on the West Bank must be sent to the O.L.D., the bond indebtedness taken out so that the west bank pays its proportionate share of the debt service on the bonds, and the net amount would go back to the Algiers Levee District. The West Bank legislators wanted to end that process; therefore, they mandated that the Authority try to refund those bonds with only East Bank taxes.

Mr. Godfrey explained typical resolutions for bond refunding have been prepared; however, there are significant financial problems. Due to the effects of Hurricane Katrina on the non-flood assets and the revenues from those assets, which prior to Katrina paid the debt service on the Public Improvement Bonds, and the fact that taxes

would be collected only on the East Bank and the amounts of those collections would be proportionately lower, the O.L.D.'s finances are significantly worse today than they were before Katrina. This would probably make it impossible to find a buyer for the bonds at this point in time, particularly when considering the pending Bohemia Spillway legislation and the Haspel-Davis federal litigation. SFA, the bond insurer for all of the currently outstanding bonds, has advised it will not insure the new refunding bonds for several reasons, which included missing revenues from non-flood assets and tax collections only on the east bank. Due diligence is being done to attempt to find an insurer for the bonds; however, those insurers that are financially solvent are thus far unwilling to insure the bonds.

Mr. Godfrey explained all public agencies must obtain the permission of the Louisiana Bond Commission before issuing any debt. Under the normal process the Board would adopt resolutions to refinance the debts and then go to the Bond Commission for review of the finances and permission. The Authority would be carrying out the mandate of the legislation by adopting the resolutions today and attempting to refinance the bonds, and the request for permission would be placed on the Bond Commission's agenda for the third Thursday in May. The intent of the Finance Committee was to proceed, but to advise the Bond Commission that the Authority has no realistic hope of being able to accomplish this refinancing. The Finance Committee forwarded this matter to the Board without recommendation in order for the Board to decide whether or not to go to the Bond Commission. It is hoped that the Bond Commission realizes that this is a vain and useless act, based on the information provided and the Authority's statement that it is only asking permission because it is compelled by statute to do so, but does not recommend that the Bond Commission give its permission to go forward.

Mr. Doody added, should the Bond Commission give its permission to go forward, it could be bringing some additional liability for the State of Louisiana. In bringing this issue to the Bond Commission, the Commission would learn of the O.L.D.'s current financial condition and the significant potential harm of additional pending legislation.

Mr. Godfrey advised under the malfeasance in public office act, if a public official in an unreasonable exercise in judgment refuses to do something that reasonable men thought could be done, that official would be guilty of malfeasance in office. He clarified there must be an unreasonable intent not to carry out the Legislature's policy. However, in his judgment, the Board could say with the sufficient reasonable facts presented that in good business judgment this bond refunding should not be done at this point in time.

Mr. Godfrey was asked his opinion about whether a purchaser or insurer could be found for the bonds, and he replied, not with the present market conditions. Bond insurers want to see coverage of about 125 percent in order to feel comfortable.

When asked if the debt service would go down if refinanced, Mr. Godfrey explained the two 1995 fixed rate bond issues bear an interest rate of 5.4 percent and there could be a substantial present value savings on those issues. However, the 1996 issues bear an interest rate of 2.54 percent and those issues would probably lose money if refinanced at current rates. About \$400,00 would be lost refinancing the 1996 issues, and about

\$1.2 million gained in refinancing 1995 issues, with a net of about \$800,000 in present value savings. However, these figures would be based on 1.25 coverage, which the O.L.D. does not have, and on obtaining bond insurance. He reiterated the statute does not just say refinance the bonds, but to refinance the bonds by July 1, 2008.

**NO. 04-17-08-03 -AUTHORIZING THE ISSUANCE OF \$35,000,000 OF ORLEANS LEVEE DISTRICT LEVEE IMPROVEMENT REFUNDING BONDS, SERIES 2008**

The following resolution was offered by Commissioner Barry and seconded by Commissioner Goins:

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING THIRTY FIVE MILLION DOLLARS (\$35,000,000) OF ORLEANS LEVEE DISTRICT LEVEE IMPROVEMENT REFUNDING BONDS, SERIES 2008; FIXING CERTAIN DETAILS OF SUCH BONDS AND PROVIDING WITH RESPECT TO THE RIGHTS OF THE OWNERS THEREOF; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; RETAINING BOND COUNSEL; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Orleans Levee District (the "Issuer") previously issued its \$56,780,000 Orleans Levee District Levee Improvement Bonds, Series 1986 (which were converted to fixed rates in 1995) (the "1986 Bonds");

WHEREAS, the Issuer also previously issued its \$6,775,000 Orleans Levee District Levee Improvement Refunding Bonds, Series 1996 (the "Levee Improvement Refunding Bonds" and collectively with the 1986 Bonds the "Prior Bonds");

WHEREAS, the 1986 Bonds were issued pursuant to those certain bond resolutions adopted by the Board of Commissioners of the Issuer (the "Board") on July 28, 1986 and August 20, 1986, and amended and supplemented on October 18, 1995 and further amended on November 1, 1995 and the Levee Improvement Refunding Bonds were issued pursuant to those certain resolutions numbers 20-082196 adopted on August 21, 1996, and S-2-093096 adopted on September 30, 1996 (collectively all such resolutions shall be referred to as the "Prior Resolutions");

WHEREAS, the Issuer is authorized pursuant to Article VI Section 40 of the Louisiana Constitution of 1974 and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, to incur debt and to issue refunding bonds to refund the Prior Bonds;

WHEREAS, Act 475 of 2007 enacted La. R. S. 38:330.8 B.(5) which states:

(5) The governing authority of the Orleans Levee District shall, by July 1, 2008, refinance all of the district's issued and outstanding debt as of January 1, 2007.

WHEREAS, the Issuer in order to use its best efforts to comply with the provisions of La. R. S. 38:330.8 B. (5) requiring refunding the Prior Bonds desires to authorize the issuance in one or more series of tax-exempt and/or taxable bonds not exceeding Thirty Five Million Dollars (\$35,000,000) of its Orleans Levee District Levee Improvement Refunding Bonds, Series 2008 (the "Bonds") to refund the Prior Bonds pursuant to the optional redemption provisions of the Prior Resolutions on or be for July 1, 2008;

WHEREAS, the Issuer desires to adopt this Refunding Bond Resolution for the purpose of setting forth certain terms and provisions with respect to the Bonds, and further intends to adopt a supplemental resolution at the time of the sale of the Bonds setting forth the final details of the Bonds and other matters.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Southeast Louisiana Flood Protection Authority - East as the governing authority of the Orleans Levee District that:

**ARTICLE I.  
DEFINITIONS AND INTERPRETATION**

**SECTION 101. Definitions.** As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

**"Act"** shall mean collectively Article VI Section 40 of the Louisiana Constitution of 1974 and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other applicable constitutional and statutory authority.

**"Additional Parity Bonds"** shall mean any *pari passu* additional bonds issued in accordance with the provisions of Section 205 hereof.

**"Authorized Denomination"** shall mean \$5,000 and each integral multiple thereof.

**"Board"** shall mean the Board of Commissioners of the Southeast Louisiana Flood Protection Authority - East.

**"Bond" or "Bonds"** shall mean any or all of the not exceeding Thirty Five Million Dollars (\$35,000,000) aggregate original principal amount of Orleans Levee District Levee Improvement Refunding Bonds, Series 2008, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

**"1986 Bonds"** shall mean the presently outstanding original aggregate principal amount of \$56,780,000 Orleans Levee District Levee Improvement Bonds, Series 1986 converted to fixed Rates in 1995.

**"Bond Fund"** shall mean the fund created in Section 501 hereof.

**"Bond Insurer"** shall mean bond insurer or other credit enhancement device provider which shall furnish a policy of bond insurance or other credit facility insuring the payment of principal and interest on the Bonds or any successor thereto.

**"Bond Insurance Policy"** shall mean the municipal bond insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

**"Bond Obligation"** shall mean, as of any date of computation, the sum of the principal amount of the Outstanding Bonds.

**"Bond Register"** shall mean the registration books kept by the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as herein provided.

**"Bond Year"** shall mean a 12-month period that ends on the day selected by the Issuer and the first and last bond years may be short periods; provided that if no selection is made by the Issuer it shall mean the 12-month period beginning on the date following the original issuance of the Bonds and ending on each anniversary date of the original issuance of the Bonds.

**"Business Day"** shall mean a day of the year other than a day on which banks located in the cities in which the principal offices of the Escrow Agent, the Paying Agent and the Issuer are located are required or authorized to remain closed.

**"Code"** shall mean the Internal Revenue Code of 1986, as amended.

**"Continuing Disclosure Certificate"** means the Continuing Disclosure Certificate a form of which is attached hereto as Exhibit B, to be entered into by the Issuer under the SEC Continuing Disclosure Rules.

**"Costs of Issuance"** shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to printing costs,

costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, if paid by the Issuer, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, the Underwriter's Discount or Fee and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of the 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 the Bonds and (ii) the principal amount of the Bonds which are payable at maturity or by scheduled mandatory redemption payment.

**"Defeasance Obligations"** shall mean to the extent allowed by applicable Louisiana law:

- (a) cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Securities "SLGs");
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
- (e) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If, however, the issue is only rated by S&P (i.e., there is not Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
- (f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
  - (1) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership;
  - (2) Farmers Home Administration (FmHA) Certificates of beneficial ownership;
  - (3) Federal Financing Bank;
  - (4) General Services Administration: Participation Certificates;
  - (5) U.S. Maritime Administration: Guaranteed Title XI financing; and
  - (6) U.S. Department of Housing and Urban Development (HUD): Project Notes, Local Authority Bonds, New Communities Debentures - U.S. governmental guaranteed debentures, and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

**"Delivery Date"** shall have the meaning as set forth in the Purchase Agreement.

**"Escrow Agent"** shall mean the entity to be selected by the Board in the Supplemental Resolution which shall serve as Escrow Agent to hold the proceeds of the Bonds to be used to defease until and pay the Prior Bonds and any other person which may at any time be substituted in its place pursuant to the Escrow Agreement.

**"Escrow Agreement"** shall mean that certain Escrow Deposit Agreement to be entered into by the Issuer and the Escrow Agent, as escrow trustee providing for the holding of the proceeds of the Bonds and the application thereof to the payment of the Prior Bonds.

**"Escrow Fund"** shall mean the Escrow Fund established pursuant to the Escrow Agreement.

**"Escrow Obligations"** shall mean those Defeasance Obligations purchased with the proceeds of the Bonds placed into the Escrow Fund to be used to defease and redeem the Prior Bonds.

**"Executive Director"** shall mean the Executive Director of the Issuer.

**"Event of Default"** means any event specified in Section 801 hereof.

**"Fiduciary"** means the Paying Agent, the Escrow Agent or any successor thereto.

**"Financial Advisor"** shall mean any independent investment banking or financial advisory firm which is appointed by the Issuer upon written notice to the Paying Agent and which is actively engaged in and has a favorable national reputation for skill and experience in underwriting or providing financial advisory services with respect to similar types of indebtedness incurred by entities of a comparable size and nature, if any.

**"Fiscal Year"** shall mean the twelve-month period beginning July 1 of each year or such other twelve-month accounting period as shall be adopted by the Issuer as its fiscal year.

**"Funds and Accounts"** means the funds and the accounts herein established and created pursuant to this Refunding Bond Resolution.

**"Government Securities"** shall mean 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. The term "Government Securities" specifically includes the stripped interest payment portion of obligations issued by the Resolution Funding Corporation under the authority of 12 U.S.C. §1441(b).

**"Interest Account"** shall mean the account created in Section 501(b) hereof and described in Section 503 hereof.

**"Interest Payment Date"** shall mean November 1 and May 1 of each year, commencing November 1, 2008.

**"Issuer"** shall mean the Orleans Levee District, a political subdivision of the State of Louisiana.

**"Levee Improvement Refunding Bonds"** shall mean those currently outstanding original aggregate principal amount \$6,775,000 Orleans Levee District Levee Improvement Refunding Bonds, Series 1996.

**"Net Proceeds,"** when used with reference to the Bonds, means the face amount of the Bonds, plus accrued interest and premium, if any, less any original issue discount, if any, and less any proceeds deposited in the Cost of Issuance Account.

**"Outstanding,"** when used with reference to the Bonds, shall mean, as of any date, all Bonds theretofore issued under this Refunding Bond Resolution, except:

- (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds as provided in Section 1101 hereof;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Refunding Bond Resolution; and
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in this Refunding Bond Resolution or by law.

**"Owner" or "Owners"** shall mean the Person or Persons reflected as registered owners of any of the Bonds on the Bond Register.

**"Paying Agent"** shall mean the bank or trust company selected by the Board in the Supplemental Resolution to serve as paying agent and registrar under this Refunding Bond Resolution, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Refunding Bond Resolution, and thereafter "Paying Agent" shall mean such successor Paying Agent.

**"Person"** shall mean any natural person, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof, or any other juridical person as may be defined by Louisiana law.

**"President"** shall mean the President of the Board.

**"Principal Account"** shall mean the account created in Section 501(a) hereof and described in Section 504 hereof.

**"Principal Payment Date"** shall mean November 1 of each year commencing November 1, 2008.

**"Prior Resolutions"** shall mean the resolutions authorizing and providing the terms of the 1986 Bonds adopted by the Board on July 28, 1986 and August 20, 1986, and amended and supplemented on October 18, 1995 and amended on November 1, 1995 and resolutions numbers 19-082196 adopted on August 21, 1996, and S-1-093096 adopted on September 30, 1996 authorizing and providing the terms of the Levee Improvement Refunding Bonds.

**"Purchase Agreement"** shall mean the Bond Purchase Agreement to be entered into by and between the Issuer and the Underwriter, in the form attached to the Supplemental Resolution if the Bonds are sold pursuant to a private negotiated sale.

**"Purchaser"** shall mean the entity purchasing the Bonds if they are sold pursuant to a private placement or public bid rather than at a negotiated sale to an underwriter in connection with a public offering of bonds.

**"Qualified Investments"** shall mean any of the following which constitute legal investments under applicable Louisiana law:

- (a) (1) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (4) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.
- (b) Federal Housing Administration debentures.
- (c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
  - Federal Home Loan Mortgage Corporation (FHLMC) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal

amounts), Senior Debt obligations

-Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives), Consolidated system-wide bonds and notes

-Federal Home Loan Banks (FHL Banks) Consolidated debt obligations

-Federal National Mortgage Association (FNMA) Senior debt obligations, Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

-Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

-Financing Corporation (FICO) Debt obligations

-Resolution Funding Corporation (REFCORP) Debt obligations

- (d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by Standard & Poor's Rating Group ("S&P").
- (e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million.
- (f) Money market funds rated 'Aam' or 'AamG' by S&P, or better.
- (g) Pre-refunded municipal obligations rated "AA" by S&P and "Aaa" by Moody's Investors Service ("Moody's") meeting the following requirements:
  - 1. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
  - 2. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;
  - 3. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");
  - 4. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
  - 5. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
  - 6. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.
- (h) Repurchase agreements: With respect to (1) any domestic bank, the long term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; (2) any foreign bank, the long term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; (3) any broker-dealer with "retail customers" which has, or the parent company (which guarantees the

broker dealer) of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (4) any other entity described above rated 'A' or better and acceptable to the Bond Insurer, provided that:

1. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's in an 'A' rated structured financing (with a market value approach);
2. Failure to maintain the requisite collateral percentage will require the Issuer or the Paying Agent to liquidate the collateral.
3. The Paying Agent or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
4. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
5. The transferor represents that the collateral is free and clear of any third-party liens or claims;
6. The repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;
7. There is or will be a written agreement governing every repurchase transaction;
8. The Issuer and the Paying Agent each represents that it has no knowledge of any fraud involved in the repurchase transaction;
9. The Issuer and the Paying Agent receive the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms; and
10. The repurchase agreement shall provide that if during its term:
  - (i) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa3', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (1) maintain collateral at Levels and of the type as shall be reasonably acceptable to the Bond Insurer; or (2) repurchase all collateral and terminate the agreement, and
  - (ii) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A' by S&P or 'A2' Moody's, as appropriate, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the

agreement, in either case with no penalty or premium to the Issuer or Paying Agent.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "AA" and "Aa" by S&P and Moody's, respectively.

- (i) Investment agreements with a domestic or foreign bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; provided that, by the terms of the investment agreement:
  - 1. interest payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
  - 2. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); and the Issuer shall give, or shall cause the Paying Agent to give, notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
  - 3. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
  - 4. a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified hereunder;
  - 5. the Issuer or the Paying Agent receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable and addressed to the Bond Insurer;
  - 6. the investment agreement shall provide that if during its term:
    - (i) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's in an 'A' rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and
    - (ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below 'A' or 'A2', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction,

repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Paying Agent;

7. The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession); and
8. the investment agreement must provide that if during its term:
  - (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and
  - (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

**"Rating Agency"** shall mean collectively all of the rating agencies which at the request of the Issuer publish and maintain a rating of the Bonds or the Issuer.

**"Record Date"** shall mean, with respect to an Interest Payment Date, the fifteenth day (whether or not a business day) of the calendar month preceding such Interest Payment Date.

**"Refunding Bond Resolution"** shall mean this resolution providing for the issuance of not exceeding Thirty Five Million Dollars (\$35,000,000) of Orleans Levee District Levee Improvement Refunding Bonds, Series 2008.

**"Regular Record Date"** for the interest payable on any Interest Payment Date means the 15th day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day.

**"Related Documents"** shall mean this Refunding Bond Resolution and any other resolutions and ordinances of the Board authorizing the levy and collection of the Tax or authorizing issuance of, or providing terms or provisions for, the Bonds.

**"SEC Continuing Disclosure Rules"** means Rule 15c212(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended and/or supplemented from time to time, with respect to continuing disclosure of certain information by the Issuer during the time that the Bonds are Outstanding.

**"Special Record Date"** for the payment of Defaulted Interest (as defined in Section 304 hereof) means the date fixed pursuant to Section 304.

**"Standard & Poor's"** shall mean Standard & Poor's Public Finance Ratings.

**"State"** shall mean the State of Louisiana.

**"Supplemental Resolution"** shall mean the resolution of the Board adopted to supplement and amend this resolution so as to provide the terms and details of the Bonds and authorize their sale.

**"Tax"** shall mean the tax commonly referred to as the Special Levee Improvement Tax of the, Issuer, originally authorized by the special election held within the District on March 4, 1974 at the rate of 3 mills pursuant to the authority of Article VI, Section 39(B) of the Louisiana Constitution (the "Constitution"), which was extended for a period of 30 years ending in the year 2015 and increased to 6.07 mills pursuant to authority of a special election held within the District on November 19, 1983, and which was levied at the rate of 4.95 mills for tax year 2008 as changed in accordance with the authority of Article VII, Section 23 of the Constitution.

**"Tax Exempt Bonds"** shall mean Bonds the interest of which is intended to be excluded from gross income of the Owners thereof for federal income tax purposes.

**"Tax Revenues"** shall mean the proceeds derived from the levy and collection of the Tax.

**"Underwriter"** shall mean the syndicate of underwriters selected by the Board to purchase the Bonds if they are sold pursuant to a negotiated sale in connection with a public offering of the Bonds.

**SECTION 102. Interpretation.** In this Refunding Bond Resolution, unless the context otherwise requires, (a) words importing the singular shall include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, (c) the title of the offices used in this Refunding Bond Resolution shall be deemed to include any other title by which such office shall be known under any subsequent law or subsequently adopted charter and (d) references to article or section numbers shall be interpreted to refer to the respective article or section in this resolution.

**SECTION 103. Findings and Determinations.** (a) At the date of adoption of this resolution the only bonds of the Issuer which are secured by a pledge of the Tax are the Prior Bonds.

(b) The proceeds of the sale of the Bonds will, together with any other amounts to be made available from the Issuer, will be sufficient to (i) redeem the currently outstanding Prior Bonds, (ii) pay the premium for a Bond Insurance Policy, and (iii) pay all costs of issuance of the Bonds.

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

**SECTION 201. Authorization and Designation of Bonds.** Pursuant to the provisions of the Act, there is hereby authorized the issuance in one or more series of tax exempt and/or taxable bonds of not exceeding Thirty Five Million Dollars (\$35,000,000) principal amount of bonds of the Issuer to be designated "Orleans Levee District Levee Improvement Refunding Bonds, Series 2008" for the purpose of providing all or a portion of the amounts needed to defease and redeem the Prior Bonds pursuant to the optional redemption provisions of the Prior Resolutions, including without limitation paying the premiums due with respect to the Prior Bonds, if any, and paying the Costs of Issuance incurred in connection with the issuance of the Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act, and this Refunding Bond Resolution.

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

**SECTION 203. Obligation of Bonds.** The Bonds shall constitute special and limited obligations of the Issuer, payable solely from and secured solely by the Tax and the Tax Revenues, which shall be and are

hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the punctual payment of the principal of, interest and premium, if any, on the Bonds and for the other purposes hereinafter set forth in this Refunding Bond Resolution. The portion of the Tax Revenues needed to pay the amounts due with respect to the Bonds shall be set aside in the funds and accounts as provided hereinafter, and the Tax and the Tax Revenues shall be and remain pledged for the security and payment of the Bonds in principal and interest and for all other payments provided for in this Refunding Bond Resolution until the Bonds shall have been retired as to principal and interest. Bonds issued hereunder shall constitute a borrowing solely upon the credit of the Tax Revenues and shall not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory provision relating to the incurring of a general obligation indebtedness, nor a pledge of the full faith and credit of the Issuer.

**SECTION 204. Covenant to Levy Tax.** The Issuer covenants and agrees that it shall annually, by separate resolution, levy, impose, enforce and collect the Tax and provide for all reasonable and necessary rules and regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds have been retired as to both principal and interest or are no longer considered outstanding under this Refunding Bond Resolution. The Issuer further hereby covenants and agrees to adjust upward the millage rate of the Tax to offset declines in assessed valuation to the extent required to generate at least the amount of taxes collected prior to the revaluation, as and to the extent authorized by Article VII, Section 23 of the Louisiana Constitution or other applicable law.

**SECTION 205. Issuance of Additional Bonds.** Additional debt which shall constitute Additional Parity Bonds may be issued or incurred on a parity with the Bonds herein authorized under the conditions prescribed in either Paragraph 1 or Paragraph 2 below:

(a) The Bonds herein authorized and any other debt issued or incurred on a parity therewith, or any part thereof, may be refunded prior to maturity. Additional debt may be issued or incurred on a parity with the Bonds to refund less than all of the Bonds or other debt issued or incurred on a parity therewith within six months of the final maturity of any outstanding Bonds and other parity debt which is not refunded without regard to the below tests. If less than all outstanding Bonds or other parity debt are to be refunded more than six months prior to maturity, the refunding bonds or debt shall enjoy parity with the unrefunded Bonds or other parity debt remaining outstanding, provided that, in each and every year in which any unrefunded Bonds or parity debt remain outstanding, the amount required to be paid for the discharge of principal of and interest on all bonds or parity debt outstanding after the issuance or incurrence of the refunding bonds or debt will be no greater than the amount that would have been required if the refunding bonds or debt had not been issued.

(b) Additional debt which shall constitute Additional Parity Bonds may be issued on a parity with and in addition to the Bonds herein authorized for purposes other than refunding if all of the following conditions are satisfied upon their issue:

1. All payments required to have been made for the benefit of all outstanding bonds secured by the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) of the Issuer, whether issued under the same or different authority as the Bonds herein authorized, as to principal and interest, must have been made, and no debt secured by the Tax (other than as specified above) of the Issuer shall then be in default as to principal or interest and no other Event of Default has occurring and is continuing unless the issuance would cure the default;
2. There shall have first been executed by an authorized officer of the Board and there shall have been received by the Issuer and the Bond Insurer an opinion of a firm of independent certified public accountants both to the effect that:
  - a. for each of the two fiscal years of the Issuer immediately prior to the issuance or incurrence of such additional debt for which audited financial statements are

available, the total revenues from the proceeds of the Tax shall have equaled at least 1.22 times the maximum annual debt service in any future fiscal year on all outstanding indebtedness of the Issuer secured by a pledge of the proceeds of the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) determined as if the proposed additional debt were outstanding; and

- b. it is projected that the total revenue from the proceeds of the Tax for the fiscal year immediately subsequent to the incurrence of such additional debt or obligation shall equal at least 1.22 times the maximum annual debt service on all outstanding indebtedness of the Issuer secured by the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) determined as if the proposed additional debt were then outstanding.

**SECTION 206. Computation of Anticipated Maximum Annual Debt Service; Variable Rate Debt.** In the event that the "maximum annual debt service" must be determined in connection with the issuance of Additional Parity Bonds as set forth in Section 205 above or for any other purpose with respect to this Refunding Bond Resolution or any resolution authorizing the issuance of parity debt to be secured by the Tax, the anticipated maximum annual debt service on the proposed additional debt or any other variable rate debt which must be taken into account in such calculation shall be calculated by assuming that the rate of interest thereon will be and remain equal to the per annum rate of the 30 Year Revenue Bond Index, published by the Bond Buyer no more than two weeks prior to the date of sale of the additional parity debt, plus 50 basis points.

### **ARTICLE III. GENERAL TERMS AND PROVISIONS OF THE BONDS**

**SECTION 301. Denominations, Dates, Maturities and Interest.** The Bonds shall be dated their date of delivery, shall be in fully registered form, shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or provided for not to exceed 9% per annum. The Bonds may mature on November 1, 2008 thru 2014, inclusive with no maturity later than November 1, 2015, in the amounts and bearing interest at the rate or rates not to exceed 9% per annum to be provided in the Supplemental Resolution.

**SECTION 302. Legends.** The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Refunding Bond Resolution as may necessary or desirable to comply with custom or otherwise as may be determined by the Board prior to the delivery thereof.

**SECTION 303. Payment of Principal and Interest.** (a) The principal of, interest on, and premium, if any, on the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before each Interest Payment Date by the Paying Agent to the Owner thereof (determined as of the close of business on the Record Date) at the address of such Owner as it appears on the Bond Register. Upon the request of an Owner of at least \$1,000,000 in principal amount of Bonds, and upon furnishing the Paying Agent in writing wire transfer instructions in a form acceptable to the Paying Agent, payments of interest and principal at maturity shall be made by wire transfer in immediately available funds to a domestic account designated in writing by such Owner.

(b) Except as otherwise provided in this Section, Bonds shall bear interest from 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 if and to the extent that the Board shall default in the payment of the interest

on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.

(c) The Person in whose name any Bond is registered at the close of business on 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 notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

**SECTION 304. Payment of Interest; Interest Rights Preserved.** Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond (or one or more predecessor Bonds) is registered on the Regular Record Date for such Interest Payment Date. Such interest shall be payable by check mail to the Paying Agent on the applicable Interest Payment Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Owner on the relevant Regular Record Date by virtue of having been such Owner on such date; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Certificate and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agent and amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the persons entitled to such Defaulted Interest. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall not be more than fifteen (15) days nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Paying Agent and Bond Insurer of the notice of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class, postage prepaid, to the Bond Insurer and each Certificate Owner at his/her address as it appears in the Certificate Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as foresaid, such Defaulted Interest shall be paid to the persons in whose names the Certificates (or their respective predecessor Certificates) are registered on such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Refunding Bond Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

**SECTION 305. Exchange of Bonds; Persons Treated as Owners.** The Paying Agent is hereby constituted and appointed the registrar for the Bonds, and the Paying Agent shall establish and keep the Bond Register at its principal corporate trust office. At reasonable times and under reasonable regulations established by the Paying Agent, said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the Bond Obligation.

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.

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 denomination of the same maturity and like aggregate principal amount. At the option of an Owner, 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 the principal corporate trust office of the Paying Agent. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor the Bond or Bonds which the Owner making the exchange shall be entitled to receive.

No service charge to the Owners 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.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Refunding Bond Resolution as the Bonds surrendered.

Prior to due presentment for registration of transfer of any Bond, the Issuer, the Board and the Paying Agent, and any agent of the Issuer, the Board 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 306. Bonds Mutilated, Destroyed, Stolen or Lost** In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt a resolution and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) complying with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 308 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

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

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

**SECTION 307. Preparation of Definitive Bonds, Temporary Bonds.** Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 309, 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 308. Cancellation of Bonds.** All Bonds paid at maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Executive Director or the Secretary of the Board or the Issuer an appropriate certificate of cancellation.

**SECTION 309. Execution** The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the President of the Board, and countersigned by the manual or facsimile signature of the Executive Director of the Issuer or the Board. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the Person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such Person may not have held such office or that at the time when such Bond shall be delivered such Person may have ceased to hold such office.

**SECTION 310. Registration by Paying Agent.** No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Refunding Bond Resolution unless and until a certificate of registration on such Bond 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 Refunding Bond Resolution.

#### **ARTICLE IV. APPLICATION OF PROCEEDS**

**SECTION 401. The Pledge Effected by this Resolution.** There are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal and interest as they shall respectively become due and payable, and for the other purposes herein set forth, (a) the proceeds derived from the sale of the Bonds until used as set forth in this Refunding Bond Resolution, (b) the Tax, subject however to the prior payment of the costs and expenses of administration and collection thereof, and (c) all Funds and Accounts herein established, including the moneys or investments, if any, therein or thereof, subject only to the provisions of this Refunding Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Refunding Bond Resolution. It is the intention of the Issuer that, to the fullest extent permitted by law, this pledge shall be valid and binding from the time when it is made, that the Tax so pledged and then or thereafter received by the Issuer shall immediately be subject to the lien of such pledge without any physical delivery or further act, and that the lien of such pledge and the obligation to perform the contractual provisions herein contained shall have priority over any or all other obligations and liabilities of the Issuer, and that this pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

**SECTION 402. Application of Bond Proceeds** The Issuer hereby binds and obligates itself to irrevocably deposit in trust with the Escrow Agent under the terms and conditions of the Escrow Agreement, Net Proceeds of the Bonds (less those amounts placed into the Cost of Issuance Account as set for in Section 501 hereof) and other legally available amounts to be provided by the Issuer sufficient to redeem optionally the Prior Bonds and to pay the principal, premium, if any, and interest on the Prior Bonds on the date fixed for their redemption in the Supplemental Resolution.

Any funds remaining in the account created under the Escrow Agreement after the payment of the principal, interest, and premium to redeem the Prior Bonds in accordance with the optional redemption provisions of the Prior Resolutions shall be transferred to the Issuer to be used by it in accordance with the laws of the State.

The Issuer shall deposit accrued interest, if any, received on the Delivery Date of the Bonds into the Interest Account of Bond Fund established by Section 501(c) hereof and to apply said funds to pay a portion of the interest due on the Bonds on the first Interest Payment Date therefor.

**SECTION 403. Redemption of Prior Bonds.** Subject only to the delivery of the Bonds to the Underwriter, all of the Prior Bonds which remain outstanding shall be called for redemption on the date fixed for their redemption in the Supplemental Resolution at the principal amount of each bond so redeemed and accrued interest to the call date, plus the required premium, if any, of the principal amount thereof, in compliance with the Prior Resolutions.

Notice of Defeasance of the Prior Bonds and Redemption of the Prior Bonds, in an appropriate form shall be given by the Escrow Agent and/or the Paying Agent as soon as practicable upon receipt by the Escrow Agent of all amounts to be used to defease the Prior Bonds in accordance with the Prior Resolutions.

## **ARTICLE V FUNDS AND ACCOUNTS**

**SECTION 501. Establishment Bond Fund And Accounts And Purposes thereof.** For the payment of the principal of, premium, if any, and interest on the Bonds, the Issuer hereby establishes and will maintain a special fund designated "Levee Improvement Refunding Bonds, Series 2008 Bond Fund" (the "Bond Fund") to be held by the Paying Agent into which the amount of the Tax Revenues or other moneys which may be legally used for such purpose set forth in Section 502 hereof shall be deposited, held, and applied as set forth in this Article V on the dates specified. The Bond Fund shall consist of the following accounts: the "Cost of Issuance Account," "Principal Account" and the "Interest Account."

(a) There shall be deposited in the Cost of Issuance Account of the Bond Fund a sum equal to the Cost of Issuance incurred in connection with the issuance of the Bonds to be paid from the proceeds thereof. The balance remaining in the Cost of Issuance Fund, if any, after the payment of all Cost of Issuance incurred in connection with the sale and delivery of the Certificates shall be transferred to the Issuer.

(b) The Principal Account shall be used to receive, hold and make disbursements of money received by the Paying Agent from the Issuer to be used to pay principal due on the Bonds as a result of scheduled principal payments in the scheduled maturity amounts, and mandatory sinking fund payments.

(c) The Interest Account shall be used to receive, hold and make disbursements of money received by the Paying Agent from the Issuer to be used to pay interest due on the Bonds.

**SECTION 502. Deposits To Bond Fund and Accounts.** The Issuer shall make quarterly deposits of the Tax Revenues, or other moneys which may be legally used for such purpose into the Bond Fund, to be credited as applicable to the Interest Account and/ or the Principal Account thereof, not later than the fifth Business Day next preceding the first day of each February, May, August and November, commencing August 2008, each of which deposits shall be sufficient in amount to pay at least  $\frac{1}{2}$  of the interest and  $\frac{1}{4}$  of the principal due with respect to the Bonds on the next succeeding Interest Payment Date on which interest or principal (at maturity or pursuant to mandatory sinking fund redemption), as applicable, is due. The Bond Fund shall constitute a trust fund held for the benefit of the Owners. Commencing October 1, 2008, the Issuer will use its best efforts to deposit into the Bond Fund within the first four (4) calendar months of each Fiscal Year, amounts of the Tax Revenues or other moneys which may be legally used for such purpose sufficient to make all scheduled payments of principal and interest due on the Bonds in such Fiscal Year.

**SECTION 503. Application of Moneys in the Interest Account.** The amounts paid into the Bond Fund to be used to pay interest on the Bonds shall be deposited into the Interest Account. The sums on deposit in the Interest Account of the Bond Fund shall be used by the Paying Agent to pay the interest due on the Bonds on each Interest Payment Date. If by the fifth Business Day next preceding any Interest Payment Date there is not sufficient monies on deposit within the Interest Account to make the

next interest payment due on the Bonds, the Paying Agent shall notify by telefax or wire transmission the Issuer and the Bond Insurer, if any, of the amount of such deficiency. The Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

**SECTION 504. Application of Money in Principal Account.** The amounts paid into the Bond Fund to be used to make scheduled principal payments on the Bonds, whether due upon maturity thereof, or as a result of mandatory sinking fund payments, shall be deposited into the Principal Account of the Bond Fund. The sums on deposit in the Principal Account of the Bond Fund shall be used by the Paying Agent/ Registrar to pay scheduled principal payments on the Bonds, whether due upon maturity thereof, or as a result of scheduled mandatory sinking fund payments. If by the fifth Business Day next preceding any Interest Payment Date on which a principal payment is due there is not sufficient monies on deposit within the Principal Account to make such principal payment the Paying Agent shall notify the Issuer and the Bond Insurer by telefax or wire transmission of the amount of such deficiency. The Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

**SECTION 505. Payment of Bonds.** The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal 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 506. 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 507. Investments.** All sums deposited into the funds and accounts created herein shall be invested only in Qualified Investments. If at any time after investment therein an investment ceases to meet the criteria set forth in the definition of Qualified Investments and such obligation, aggregated with other non-conforming investments, exceeds ten percent (10%) of invested funds, such investment shall be sold or liquidated unless otherwise approved by the Bond Insurer.

Investments (except investment agreements) in Bond Resolution funds and accounts shall be valued at the market value thereof, exclusive of accrued interest, (1) as frequently as deemed necessary by the Bond Insurer, if any, but not less often than annually nor more often than monthly.

Investments purchased with funds on deposit in the Bond Fund shall mature not later than the payment date, as appropriate, immediately succeeding the investment.

The Issuer or the Paying Agent shall terminate any repurchase agreement upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repo securities, liquidate the collateral. To the extent permitted by applicable law, the Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

The Issuer or the Paying Agent shall give notice to any provider of a repurchase or investment agreement in accordance with the terms thereof so as to receive funds thereunder with no penalty or premium paid.

The Issuer or the Paying Agent shall, upon actual knowledge of a default under a repurchase or investment agreement or the withdrawal or suspension of either of the ratings of a repurchase or investment agreement Provider or a drop in the ratings thereon below "AA" or "Aa," as appropriate, or "AAA" or "Aaa," as appropriate, in the case of a foreign bank, so notify the Bond Insurer and, if so directed by the Bond Insurer, shall demand further collateralization of the agreement or termination thereof and liquidation of the collateral.

**ARTICLE VI  
SUPPLEMENTAL BOND RESOLUTIONS**

**SECTION 601. Supplemental Resolutions Effective Without Consent of Owners.** A resolution supplemental hereto may be adopted by the Issuer, for any one or more of the following purposes and at any time from time to time, which, upon the filing with the Paying Agent, the Bond Insurer and the Issuer of a certified copy thereof, but without any consent of Owners, shall be fully effective in accordance with its terms:

- (a) to make any amendment adopted by the Issuer prior to the initial delivery of the Bonds;
- (b) to add to the covenants and agreements of the Issuer in this Refunding Bond Resolution other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (c) to add to the limitations and restrictions in this Refunding Bond Resolution other limitations and restrictions to be observed by the Issuer or the Board which are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (d) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Refunding Bond Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Refunding Bond Resolution;
- (e) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this Refunding Bond Resolution;
- (f) to insert such provisions clarifying matters or questions arising under this Refunding Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (g) to make any other amendment or change which does not materially adversely affect the interests of the Owner of any Bond;
- (h) to provide for the issuance of Bonds under a book entry system or in bearer form, to the extent permitted by law (but with the opinion of Bond Counsel that such change will not impair the exclusion from gross income for federal income tax purposes of any Tax Exempt Bonds).

**SECTION 602. Supplemental Resolutions Effective With Consent of Owners.** Except as provided in Section 601, any modification or amendment of this Refunding Bond Resolution or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental resolution, with the written consent of the Owners of the Bonds of a majority of the Bond Obligation at the time such consent is given. For the purposes of this Section 602 the Bond Insurer shall be considered to be the sole Owner of any Bonds which are insured by the Bond Insurance Policy, if any, as provided in Section 603 below. No such modifications or amendment shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond, or the rate of interest thereon, or (c) granting a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to the Resolution without the consent of the Owner of such Bond, or modify any of the rights or obligations of either the Paying Agent or the Escrow 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 Refunding Bond Resolution if the same adversely affects or diminishes the rights of the Owners of said Bonds.

If deemed appropriate by the Issuer or the Paying Agent, the Paying Agent shall establish a record date for consents and if Depository Trust Company or its nominee is an Owner it shall be given at least fifteen

(15) days prior notice of the establishment of such record date.

**SECTION 603. Consent of Bond Insurer to Supplemental Resolutions Sufficient.** For the purposes of this Refunding Bond Resolution, the Bond Insurer, if any, shall be deemed to be the sole Owner of Bonds insured by the Bond Insurance Policy with respect to granting consents to modifications to this Refunding Bond Resolution. If the Bond Insurer shall consent to any modification to this Refunding Bond Resolution, no Owners' consent (other than that of the Bond Insurer) shall be required in order to make any modification to this Refunding Bond Resolution.

No amendment or supplement to this Refunding Bond Resolution or any other Related Document which does not require the consent of Owners on the basis that it is not to the detriment of, or does not adversely affect, Owners may become effective except upon obtaining the prior written consent of the Bond Insurer, if any.

Copies of any modification or amendment to this Refunding Bond Resolution or any other Related Document shall be sent to the Rating Agency at least 15 days prior to the effective date thereof.

## **ARTICLE VII SPECIAL COVENANTS**

**SECTION 701. Tax Covenants.** The Issuer covenants with the holders from time to time of the Tax Exempt Bonds, that so long as any Tax Exempt Bond shall be Outstanding, the Issuer shall:

(a) at all times do, and perform all acts and things necessary or desirable in order to assure that interest paid on the Tax Exempt Bonds shall for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof;

(b) not permit at any time any of the proceeds of the Tax Exempt Bonds or any other funds of the Issuer to be used directly or to acquire any securities, obligations or other investments the acquisition of which would cause any of Tax Exempt Bonds to be an arbitrage bond as defined in Section 148 of the Code;

(c) restrict the use of proceeds of the Tax Exempt Bonds in such a manner and to such an extent, if any, as may be necessary, after taking into account reasonable expectations, at the time of the delivery of and payment for such Tax Exempt Bonds, so that the Tax Exempt Bonds will not constitute "arbitrage bonds" as defined in Section 148 of the Code;

(d) cause the President or Executive Director or any other officer having responsibility for issuing the Tax Exempt Bonds, alone or in conjunction with any other officer, trustee, employee or agent of or consultant to the Issuer, to give an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Tax Exempt Bonds, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Tax Exempt Bonds and the facts, estimates and circumstances on which they are based, such certificate to be premised on the reasonable expectations and the facts, all as of the date of delivery of and payment for the Tax Exempt Bonds;

(e) not take or permit to be taken any action which would cause the Tax Exempt Bonds to be deemed "private activity bonds" under the Code;

(f) not permit the Tax Exempt Bonds to become directly or indirectly federally guaranteed; and

(g) file Internal Revenue Form 8038-G pursuant to Section 149(e) of the Code.

Without limiting the generality of the foregoing, the Issuer covenants and agrees that there shall be paid from time to time all amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Tax Exempt Bonds from time to time. This covenant shall survive payment in full of the Tax Exempt Bonds. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of

Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Tax Exempt Bonds under the Code.

The President or Executive Director is 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 702. Continuing Disclosure.** If the Bonds are not sold in a private placement which is exempt from or otherwise exempt from the provisions of 17 CFR 240.15c2-12 (the "SEC Continuing Disclosure Rules"), the Issuer covenants and agrees for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of the events enumerated in Section (b)(5)(i)(C) of the SEC Continuing Disclosure Rules, if material. The annual Report will be filed by the Issuer with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR"), and with the Louisiana State Information Depository ("Louisiana SID"), if any, all as defined in the Continuing Disclosure Rules. Any notices of material events shall be filed with each NRMSIR or with the Municipal Securities Rulemaking Board ("MSRB"), and with the Louisiana SID, if any. The specific nature of the information to be contained in the Annual Report or the notice of material events shall be as more fully set forth in a Continuing Disclosure Certificate, in the form as attached hereto as Exhibit B together with such changes, additions or deletions as may be requested by Bond Counsel, as the same may be amended from time to time in accordance with its terms. Failure to comply with the SEC Continuing Disclosure Rules shall not constitute an "event of default" under this Refunding Bond Resolution, 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 obligation of the Issuer under the Continuing Disclosure Certificate.

## **ARTICLE VIII EVENTS OF DEFAULT**

**SECTION 801. Events of Default.** If one or more of the following events ("Events of Default") shall happen:

- (a) if default shall be made in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity or otherwise; or
- (b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable; or
- (c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Refunding Bond Resolution, any supplemental resolution or in the Bonds contained and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer or any Owner; or
- (d) if an action is taken by the Board, the Issuer or the State of Louisiana to limit or alter adversely to the holders of the Bonds the rights of the Issuer to fulfill its obligations to such Bondholders under this Resolution or otherwise to impair the rights and remedies of such Bondholders.

then, upon the happening and continuance of any Event of Default and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law other than acceleration of maturity. The Bonds shall not be subject to acceleration of maturity.

**SECTION 802. Consent of the Insurer Upon Default.** Anything in this Refunding Bond Resolution to the contrary notwithstanding, so long as the Bond Insurer is not in default under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default, the Bond Insurer, acting alone shall have the right to direct all rights and remedies granted to the Bondholders under this Refunding Bond Resolution, including the right to institute any suit, action, or proceeding at law or in equity, and for purposes hereof shall be recognized as the registered owner of the Bonds insured by it under the Bond

Insurance Policy.

## **ARTICLE IX CONCERNING FIDUCIARIES**

**SECTION 901. Escrow Agent; Appointment and Acceptance of Duties.** The Issuer intends to select a bank or trust company to serve as the Escrow Agent in the Supplemental Resolution. The President or in his absence the Executive Director is hereby authorized to execute, and the Secretary or Executive Director is hereby authorized to attest to either signature and they are authorized to delivery on behalf of the Issuer an Escrow Deposit Agreement the form of which shall be approved by the officer of the Board executing same and Bond Counsel to the Issuer.

**SECTION 902. Paying Agent; Appointment and Acceptance of Duties.** The Issuer intends to select a bank or trust company to serve as the Paying Agent in the Supplemental Resolution.

## **ARTICLE X SALE OF BONDS**

**SECTION 1001. Sale of Bonds.** The Bonds may be sold at a negotiated sale pursuant to a public offering to the Underwriter, by a private negotiated private placement to the Purchaser or by public bid. The Bonds shall be sold to the Underwriter or Purchaser pursuant to the terms of the Purchase Agreement, a form of which shall be attached to the Supplemental Resolution, provided however that any Underwriter's or Purchaser's Discount of Fee shall not exceed 1.75% of the original principal amount of the Bonds and after their execution and registration by the Paying Agent, the Bonds shall be delivered to the purchasers or their agents or assigns, upon receipt by the Issuer of the agreed purchase price.

**SECTION 1002. Offering Documents.** The Board does hereby authorize the preparation, printing and distribution of a Preliminary Official Statement, Preliminary Private Placement Agreement or other offering document (the "Preliminary Offering Document") describing the Bonds, the security therefor and other pertinent matters that should be included therein to comply with all applicable laws, regulations and marketing requirements. The Board does hereby authorize the completion, supplementation and/or amendment of the Preliminary Offering Document so that a final offering document (the "Final Offering Document") does not contain any untrue statement of a material fact or omit any statement or information concerning the Issuer or the Bonds which is necessary to make such statements and information therein, in light of the circumstances under which they were made, not misleading. The Board does hereby agree to notify the Underwriter if, within the "underwriting period" within the meaning of Section 15c2-12(d) under the Securities Exchange Act of 1934, as amended any event occurs which would cause the Final Offering Document to contain any untrue statement of a material fact or omit any statement of information concerning the Issuer which is necessary to make such statements and information therein, in light of the circumstances under which they were made, not misleading and to appropriately supplement the Final Offering Document to reflect such event.

## **ARTICLE XI DEFEASANCE**

**SECTION 1101. Defeasance.** (a.) If the Issuer shall (i) pay or cause to be paid to the Owners of all Bonds then Outstanding, the principal and interest to become due thereon, at the times and in the manner stipulated therein and in this Refunding Bond Resolution, and (ii) all necessary and proper fees, compensation, interest charges and expenses of the Paying Agent pertaining to the Bonds with respect to which such payment is made shall have been paid or the payment thereof provided for to the Paying Agent's satisfaction, then, at such times as a Bond shall be deemed to be paid, as aforesaid, such Bond shall no longer be secured by or entitled to any benefits under this Bond Resolution or any rights against the Issuer, and the covenants, agreements and other obligations of the Issuer to the Owners, except for the purposes of receiving any such payment, shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver

to the Issuer all moneys, securities and funds held by them pursuant to this Refunding Bond Resolution which are not required for the payment of Bonds not theretofore surrendered for such payment.

(b) Bonds or interest installments for the payment of which Defeasance Obligations shall have been set aside and shall be held in trust by the Paying Agent or an escrow agent (through deposit by the Issuer of funds for such payment or otherwise) at a maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Any Bond shall, prior to maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if there shall have been deposited with the Paying Agent or an escrow agent Defeasance Obligations, in the amounts and having such terms as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or applicable redemption price thereof, together with all accrued interest, all necessary and proper fees, compensation, interest charges and expenses of the Paying Agent or escrow agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for its satisfaction and (2) in the event of an advance refunding, the adequacy of the Defeasance Obligations so deposited to pay when due the principal or applicable redemption price, all accrued interest and all related fees and expenses due with respect thereto shall have been verified by an independent certified public accountant, actuary or other nationally recognized verification agent (a "Verification"). The Escrow Deposit Agreement (which, along with 15 business days prior notice of such defeasance shall be provided to and shall be acceptable in form and substance to the Bond Insurer, if any) shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) no reinvestment of a Defeasance Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (C) there shall be delivered an opinion of nationally recognized Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Resolution. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Paying Agent and the Bond Insurer, if any. Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met. In the event any Defeasance Obligation forward delivery or other agreement relating to purchase and/or repurchase of Defeasance Obligation will be employed in connection with a refunding or defeasance, such agreement shall be subject to the approval of the Bond Insurer, if any and shall be accompanied by such opinions of counsel as may be required by the Bond Insurer. The Bond Insurer, if any, shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

## **ARTICLE XII MISCELLANEOUS**

**SECTION 1201. Evidence of Signatures of Owners and Ownership of Bonds.** (a) Any request, consent, revocation of consent or other instrument which this Refunding Bond Resolution 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 (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2) the ownership by any Person of the Bonds shall be sufficient for any purpose of this Refunding Bond Resolution (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:

- (i) 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 acknowledgments 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;

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

(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 Board or the Paying Agent in accordance therewith.

**SECTION 1202. Successors and Assigns.** Whenever in this Refunding Bond Resolution the Issuer or the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Refunding Bond Resolution contained by or on behalf of the Issuer or the Board shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

**SECTION 1203. Governing Law.** This Refunding Bond Resolution shall be governed by and interpreted in accordance with the laws of the State of Louisiana.

**SECTION 1204. Severability.** In case any one or more of the provisions of this Refunding Bond Resolution or of the Bonds issued thereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Refunding Bond Resolution or of the Bonds, but this Refunding Bond Resolution 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 Refunding Bond Resolution which validates or makes legal any provision of this Refunding Bond Resolution or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Refunding Bond Resolution and to the Bonds.

**SECTION 1205. Publication of Refunding Bond Resolution.** This Refunding Bond Resolution shall be published one time in the official journal of the Issuer.

**SECTION 1206. Peremption.** For thirty days after the date of publication, any Person in interest may contest the legality of this Refunding Bond Resolution, any provision of the Bonds, the provisions herein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no Person may contest the regularity, formality, legality or effectiveness of this Refunding Bond Resolution, any provisions of the Bonds to be issued pursuant to this Refunding Bond Resolution, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

**SECTION 1207. Execution of Documents.** In connection with the issuance and sale of the Bonds, the President and Executive Director are both hereby authorized, empowered and directed to execute on behalf of the Board such documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Refunding Bond Resolution, the signatures of the said officers on such documents, certificates and instruments to be conclusive evidence of the due exercise of the authority granted hereunder.

**SECTION 1208. Employment of Bond Counsel.** It is recognized that a necessity for special counsel exists with respect to the issuance, sale and delivery of the Bonds and refunding the Prior Bond. The Godfrey Firm, P.L.C., is hereby selected and retained as Bond Counsel in connection with the issuance, sale and delivery of the Bonds and refunding of the Prior Bonds and preparation of the preliminary and final offering documents for the Bonds. Bond Counsel's fee shall be (i) if the Bonds are actually issued, an amount determined by applying the Attorney General's Fee Schedule for Coordinate Professional Work with Respect to the Issuance of Revenue Bonds separately to each of the original principal amounts of the separate series of the Bonds, plus out-of-pocket expenses, but (ii) should none of the Bonds be issued or the fee due under the Fee Schedule for the principal amount of the Bonds actually issued be less than the amount calculated in accordance with the next clause Bond Counsel shall be paid on an

hourly rate basis for the actual number of hours incurred with respect to the issuance of the Bonds at the rates included in the Contract for Legal Services existing between the Issuer and The Godfrey Firm, P.L.C. plus out of pocket expenses. Additionally, the Godfrey Firm shall be paid \$22,000 for preparation of the offering documents authorized in section 1002 herein above.

**SECTION 1209. Adherence To State Bond Commission Swap Policy.** By virtue of Issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, the Issuer hereby resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.," adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

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

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

RESOLUTION ADOPTED: YES

**NO. 04-17-08-04 AUTHORIZING THE ISSUANCE OF \$22,100,000 OF ORLEANS LEVEE DISTRICT PUBLIC IMPROVEMENT REFUNDING BONDS, SERIES 2008**

The following resolution was offered by Commissioner Barry and seconded by Commissioner Goins:

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING TWENTY TWO MILLION ONE HUNDRED THOUSAND DOLLARS (\$22,100,000) OF ORLEANS LEVEE DISTRICT PUBLIC IMPROVEMENT REFUNDING BONDS, SERIES 2008; FIXING CERTAIN DETAILS OF SUCH BONDS AND PROVIDING WITH RESPECT TO THE RIGHTS OF THE OWNERS THEREOF; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; RETAINING BOND COUNSEL; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Orleans Levee District (the "Issuer") previously issued its \$34,780,000 Orleans Levee District Public Improvement Bonds, Series 1986 (which were converted to fixed rates in 1995) (the "1986 Bonds");

WHEREAS, the Issuer also previously issued its \$2,795,000 Orleans Levee District Public Improvement Refunding Bonds, Series 1996 (the "Public Improvement Refunding Bonds" and collectively with the 1986 Bonds the "Prior Bonds");

WHEREAS, the 1986 Bonds were issued pursuant to those certain bond resolutions adopted by the Board of Commissioners of the Issuer (the "Board") on July 28, 1986 and August 20, 1986, and amended and supplemented on October 18, 1995 and further amended on November 1, 1995 and the Public Improvement Refunding Bonds were issued pursuant to those certain resolutions numbers 20-082196 adopted on August 21, 1996, and S-2-093096 adopted on September 30, 1996 (collectively all such resolutions shall be referred to as the "Prior Resolutions");

WHEREAS, the Issuer is authorized pursuant to Article VI Section 40 of the Louisiana Constitution of 1974 and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, to incur debt and to issue refunding bonds to refund the Prior Bonds;

WHEREAS, Act 475 of 2007 enacted La. R. S. 38:330.8 B.(5) which states:

(5) The governing authority of the Orleans Levee District shall, by July 1, 2008, refinance

all of the district's issued and outstanding debt as of January 1, 2007.

WHEREAS, the Issuer in order to use its best efforts to comply with the provisions of La. R. S. 38:330.8 B. (5) requiring refunding the Prior Bonds desires to authorize the issuance in one or more series of tax-exempt and/or taxable bonds not exceeding Twenty two Million One Hundred Thousand Dollars (\$22,100,000) of its Orleans Levee District Public Improvement Refunding Bonds, Series 2008 (the "Bonds") to refund the Prior Bonds pursuant to the optional redemption provisions of the Prior Resolutions on or be for July 1, 2008;

WHEREAS, the Issuer desires to adopt this Refunding Bond Resolution for the purpose of setting forth certain terms and provisions with respect to the Bonds, and further intends to adopt a supplemental resolution at the time of the sale of the Bonds setting forth the final details of the Bonds and other matters.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Southeast Louisiana Flood Protection Authority - East as the governing authority of the Orleans Levee District that:

## **ARTICLE I. DEFINITIONS AND INTERPRETATION**

**SECTION 101. Definitions.** As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

**"Act"** will mean collectively Article VI Section 40 of the Louisiana Constitution of 1974 and Chapter 14-A of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other applicable constitutional and statutory authority.

**"Additional Parity Bonds"** shall mean any *pari passu* additional bonds issued in accordance with the provisions of Section 205 hereof.

**"Authorized Denomination"** shall mean \$5,000 and each integral multiple thereof.

**"Board"** shall mean the Board of Commissioners of the Southeast Louisiana Flood Protection Authority - East.

**"Bond" or "Bonds"** shall mean any or all of the not exceeding Twenty Two Million One Hundred Thousand Dollars (\$22,100,000) aggregate original principal amount of Orleans Levee District Public Improvement Refunding Bonds, Series 2008, whether initially delivered or issued in exchange for, upon transfer of, or in lieu of any previously issued Bond.

**"1986 Bonds"** shall mean the presently outstanding original aggregate principal amount of \$34,780,000 Orleans Levee District Public Improvement Bonds, Series 1986 converted to fixed Rates in 1995.

**"Bond Fund"** shall mean the fund created in Section 501 hereof.

**"Bond Insurer"** shall mean bond insurer of other credit enhancement device provider which shall furnish a policy of bond insurance or other credit facility insuring the payment of principal and interest on the Bonds or any successor thereto.

**"Bond Insurance Policy"** shall mean the municipal bond insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

**"Bond Obligation"** shall mean, as of any date of computation, the sum of the principal amount of the Outstanding Bonds.

**"Bond Register"** shall mean the registration books kept by the Paying Agent in which registration of the Bonds and transfers of the Bonds shall be made as herein provided.

**“Bond Year”** shall mean a 12-month period that ends on the day selected by the Issuer and the first and last bond years may be short periods; provided that if no selection is made by the Issuer it shall mean the 12-month period beginning on the date following the original issuance of the Bonds and ending on each anniversary date of the original issuance of the Bonds.

**“Business Day”** shall mean a day of the year other than a day on which banks located in the cities in which the principal offices of the Escrow Agent, the Paying Agent and the Issuer are located are required or authorized to remain closed.

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

**“Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate a form of which is attached hereto as Exhibit B, to be entered into by the Issuer under the SEC Continuing Disclosure Rules.

**“Costs of Issuance”** shall mean all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds, including but not limited to printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, if paid by the Issuer, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, the Underwriter's Discount or Fee and any other cost, charge or fee paid or payable by the Issuer in connection with the original issuance of the 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 the Bonds and (ii) the principal amount of the Bonds which are payable at maturity or by scheduled mandatory redemption payment.

**“Defeasance Obligations”** shall mean to the extent allowed by applicable Louisiana law:

- (a) cash;
- (b) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Securities – “SLGs”);
- (c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (d) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable;
- (e) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If, however, the issue is only rated by S&P (i.e., there is not Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.
- (f) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
  - (1) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership;
  - (2) Farmers Home Administration (FmHA) Certificates of beneficial ownership;
  - (3) Federal Financing Bank;

- (4) General Services Administration: Participation Certificates;
- (5) U.S. Maritime Administration: Guaranteed Title XI financing; and
- (6) U.S. Department of Housing and Urban Development (HUD): Project Notes, Local Authority Bonds, New Communities Debentures - U.S. governmental guaranteed debentures, and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds.

**"Delivery Date"** shall have the meaning as set forth in the Purchase Agreement.

**"District"** shall mean the Orleans Levee District.

**"Escrow Agent"** shall mean the entity to be selected by the Board in the Supplemental Resolution which shall serve as Escrow Agent to hold the proceeds of the Bonds to be used to defease until and pay the Prior Bonds and any other person which may at any time be substituted in its place pursuant to the Escrow Agreement.

**"Escrow Agreement"** shall mean that certain Escrow Deposit Agreement to be entered into by the Issuer and the Escrow Agent, as escrow trustee providing for the holding of the proceeds of the Bonds and the application thereof to the payment of the Prior Bonds.

**"Escrow Fund"** shall mean the Escrow Fund established pursuant to the Escrow Agreement.

**"Escrow Obligations"** shall mean those Defeasance Obligations purchased with the proceeds of the Bonds placed into the Escrow Fund to be used to defease and redeem the Prior Bonds.

**"Executive Director"** shall mean the Executive Director of the Issuer.

**"Event of Default"** means any event specified in Section 801 hereof.

**"Fiduciary"** means the Paying Agent, the Escrow Agent or any successor thereto.

**"Financial Advisor"** shall mean any independent investment banking or financial advisory firm which is appointed by the Issuer upon written notice to the Paying Agent and which is actively engaged in and has a favorable national reputation for skill and experience in underwriting or providing financial advisory services with respect to similar types of indebtedness incurred by entities of a comparable size and nature, if any.

**"Fiscal Year"** shall mean the twelve-month period beginning July 1 of each year or such other twelve-month accounting period as shall be adopted by the Issuer as its fiscal year.

**"Funds and Accounts"** means the funds and the accounts herein established and created pursuant to this Refunding Bond Resolution.

**"Government Securities"** shall mean 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. The term "Government Securities" specifically includes the stripped interest payment portion of obligations issued by the Resolution Funding Corporation under the authority of 12 U.S.C. §1441(b).

**"Interest Account"** shall mean the account created in Section 501(b) hereof and described in Section 503 hereof.

**"Interest Payment Date"** shall mean November 1 and May 1 of each year, commencing November 1, 2008.

**"Issuer"** shall mean the Orleans Levee District, a political subdivision of the State of Louisiana.

**"Net Proceeds,"** when used with reference to the Bonds, means the face amount of the Bonds, plus accrued interest and premium, if any, less any original issue discount, if any, and less any proceeds deposited in the Cost of Issuance Account.

**"Outstanding,"** when used with reference to the Bonds, shall mean, as of any date, all Bonds theretofore issued under this Refunding Bond Resolution, except:

- (a) Bonds theretofore cancelled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Bonds for the payment or redemption of which sufficient Defeasance Obligations have been deposited with the Paying Agent or an escrow agent in trust for the Owners of such Bonds as provided in Section 1101 hereof;
- (c) Bonds in exchange for or in lieu of which other Bonds have been registered and delivered pursuant to this Refunding Bond Resolution; and
- (d) Bonds alleged to have been mutilated, destroyed, lost, or stolen which have been paid as provided in this Refunding Bond Resolution or by law.

**"Owner" or "Owners"** shall mean the Person or Persons reflected as registered owners of any of the Bonds on the Bond Register.

**"Paying Agent"** shall mean the bank or trust company selected by the Board in the Supplemental Resolution to serve as paying agent and registrar under this Refunding Bond Resolution, until a successor Paying Agent shall have become such pursuant to the applicable provisions of this Refunding Bond Resolution, and thereafter "Paying Agent" shall mean such successor Paying Agent.

**"Person"** shall mean any natural person, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof, or any other juridical person as may be defined by Louisiana law.

**"President"** shall mean the President of the Board.

**"Principal Account"** shall mean the account created in Section 501(a) hereof and described in Section 504 hereof.

**"Principal Payment Date"** shall mean November 1 of each year commencing November 1, 2008.

**"Prior Resolutions"** shall mean the resolutions authorizing and providing the terms of the 1986 Bonds adopted by the Board on July 28, 1986 and August 20, 1986, and amended and supplemented on October 18, 1995 and amended on November 1, 1995 and resolutions numbers 20-082196 adopted on August 21, 1996, and S-2-093096 adopted on September 30, 1996 authorizing and providing the terms of the Public Improvement Refunding Bonds.

**"Public Improvement Refunding Bonds"** shall mean those currently outstanding original aggregate principal amount \$2,795,000 Orleans Levee District Public Improvement Refunding Bonds, Series 1996.

**"Purchase Agreement"** shall mean the Bond Purchase Agreement to be entered into by and between the Issuer and the Underwriter, in the form attached to the Supplemental Resolution if the Bonds are sold pursuant to a private negotiated sale.

**"Purchaser"** shall mean the entity purchasing the Bonds if they are sold pursuant to a private placement or public bid rather than at a negotiated sale to an underwriter in connection with a public offering of bonds.

**"Qualified Investments"** shall mean any of the following which constitute legal investments under applicable Louisiana law:

- (a) (1) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (2) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (4) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated;
- (b) Federal Housing Administration debentures;
- (c) The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:
- Federal Home Loan Mortgage Corporation (FHLMC) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts), Senior Debt obligations
  - Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives), Consolidated system-wide bonds and notes
  - Federal Home Loan Banks (FHL Banks) Consolidated debt obligations
  - Federal National Mortgage Association (FNMA) Senior debt obligations, Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
  - Student Loan Marketing Association (SLMA) Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
  - Financing Corporation (FICO) Debt obligations
  - Resolution Funding Corporation (REFCORP) Debt obligations;
- (d) Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by Standard & Poor's Rating Group ("S&P");
- (e) Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least \$5 million;
- (f) Money market funds rated 'Aam' or 'AamG' by S&P, or better;
- (g) Pre-refunded municipal obligations rated "AA" by S&P and "Aaa" by Moody's Investors Service ("Moody's") meeting the following requirements:
1. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;
  2. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

3. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");
  4. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;
  5. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and
  6. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.
- (h) Repurchase agreements: With respect to (1) any domestic bank, the long term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; (2) any foreign bank, the long term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; (3) any broker-dealer with "retail customers" which has, or the parent company (which guarantees the broker dealer) of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (4) any other entity described above rated 'A' or better and acceptable to the Bond Insurer, provided that:
1. The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's in an 'A' rated structured financing (with a market value approach);
  2. Failure to maintain the requisite collateral percentage will require the Issuer or the Paying Agent to liquidate the collateral.
  3. The Paying Agent or a third party acting solely as agent therefor or for the Issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);
  4. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
  5. The transferor represents that the collateral is free and clear of any third-party liens or claims;
  6. The repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a domestic bank, a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and such bank is subject to FIRREA;
  7. There is or will be a written agreement governing every repurchase transaction;
  8. The Issuer and the Paying Agent each represents that it has no knowledge of any fraud involved in the repurchase transaction;

9. The Issuer and the Paying Agent receive the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms; and
10. The repurchase agreement shall provide that if during its term:
  - (i) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa3', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (1) maintain collateral at Levels and of the type as shall be reasonably acceptable to the Bond Insurer; or (2) repurchase all collateral and terminate the agreement, and
  - (ii) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A' by S&P or 'A2' Moody's, as appropriate, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, in either case with no penalty or premium to the Issuer or Paying Agent.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least "AA" and "Aa" by S&P and Moody's, respectively.

- (i) Investment agreements with a domestic or foreign bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's; provided that, by the terms of the investment agreement:
  1. interest payments are to be made to the Paying Agent at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
  2. the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); and the Issuer shall give, or shall cause the Paying Agent to give, notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;
  3. the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
  4. a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified hereunder;
  5. the Issuer or the Paying Agent receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable and addressed to the Bond Insurer;

6. the investment agreement shall provide that if during its term:
  - (i) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefore (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S & P and Moody's in an 'A' rated structured financing (with a market value approach); or (ii) repay the principal of and accrued but unpaid interest on the investment, and
  - (ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below 'A' or 'A2', respectively, the provider must, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Paying Agent;
7. The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
8. the investment agreement must provide that if during its term:
  - (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Paying Agent (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and
  - (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

**"Rating Agency"** shall mean collectively all of the rating agencies which at the request of the Issuer publish and maintain a rating of the Bonds or the Issuer.

**"Record Date"** shall mean, with respect to an Interest Payment Date, the fifteenth day (whether or not a business day) of the calendar month preceding such Interest Payment Date.

**"Refunding Bond Resolution"** shall mean this resolution providing for the issuance of not exceeding Twenty Two Million One Hundred Thousand Dollars (\$22,100,000) of Orleans Levee District Public Improvement Refunding Bonds, Series 2008.

**"Regular Record Date"** for the interest payable on any Interest Payment Date means the 15th day of the calendar month next preceding such Interest Payment Date, whether or not such day is a business day.

**"Related Documents"** shall mean this Refunding Bond Resolution and any other resolutions and ordinances of the Board authorizing the levy and collection of the Tax or authorizing issuance of, or providing terms or provisions for, the Bonds.

**"SEC Continuing Disclosure Rules"** means Rule 15c212(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended and/or supplemented from time to time, with respect to continuing disclosure of certain information by the Issuer during the time that the Bonds are Outstanding.

**"Special Record Date"** for the payment of Defaulted Interest (as defined in Section 304 hereof) means the date fixed pursuant to Section 304.

**"Standard & Poor's"** shall mean Standard & Poor's Public Finance Ratings.

**"State"** shall mean the State of Louisiana.

**"Supplemental Resolution"** shall mean the resolution of the Board adopted to supplement and amend this resolution so as to provide the terms and details of the Bonds and authorize their sale.

**"Tax"** shall mean the limited ad valorem tax authorized at the rate of 2.5 mills by Article VI, Section 39(A) of the Louisiana Constitution which was increased from time to time in reassessment years pursuant to the authority of Article VII Section 23 C thereof and which was levied at the rate of 4.13 mills for tax year 2008.

**"Tax Exempt Bonds"** shall mean Bonds the interest of which is intended to be excluded from gross income of the Owners thereof for federal income tax purposes.

**"Tax Revenues"** shall mean the proceeds derived from the levy and collection of the Tax.

**"Underwriter"** shall mean the syndicate of underwriters selected by the Board to purchase the Bonds if they are sold pursuant to a negotiated sale in connection with a public offering of the Bonds.

**SECTION 102. Interpretation.** In this Refunding Bond Resolution, unless the context otherwise requires, (a) words importing the singular shall include the plural and vice versa, (b) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, (c) the title of the offices used in this Refunding Bond Resolution shall be deemed to include any other title by which such office shall be known under any subsequent law or subsequently adopted charter and (d) references to article or section numbers shall be interpreted to refer to the respective article or section in this resolution.

**SECTION 103. Findings and Determinations.** (a) At the date of adoption of this resolution the only bonds of the Issuer which are secured by a pledge of the Tax are the Prior Bonds.

(b) The proceeds of the sale of the Bonds will, together with any other amounts to be made available from the Issuer, will be sufficient to (i) redeem the currently outstanding Prior Bonds, (ii) pay the premium for a Bond Insurance Policy, and (iii) pay all costs of issuance of the Bonds.

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

**SECTION 201. Authorization and Designation of Bonds.** Pursuant to the provisions of the Act, there is hereby authorized the issuance in one or more series of tax exempt and/or taxable bonds of not exceeding Twenty Two Million One Hundred Thousand Dollars (\$22,100,000) principal amount of bonds of the Issuer to be designated "Orleans Levee District Public Improvement Refunding Bonds, Series 2008" for the purpose of providing all or a portion of the amounts needed to defease and redeem the Prior

Bonds pursuant to the optional redemption provisions of the Prior Resolutions, including without limitation paying the premiums due with respect to the Prior Bonds, if any, and paying the Costs of Issuance incurred in connection with the issuance of the Bonds. The Bonds shall be in substantially the form attached hereto as Exhibit A, with such necessary or appropriate variations, omissions and insertions as are required or permitted by the Act, and this Refunding Bond Resolution.

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

**SECTION 203. Obligation of Bonds.** The Bonds shall constitute special and limited obligations of the Issuer, payable solely from and secured solely by the Tax and the Tax Revenues, which shall be and are hereby irrevocably and irrevocably pledged and dedicated in an amount sufficient for the punctual payment of the principal of, interest and premium, if any, on the Bonds and for the other purposes hereinafter set forth in this Refunding Bond Resolution. The portion of the Tax Revenues needed to pay the amounts due with respect to the Bonds shall be set aside in the funds and accounts as provided hereinafter, and the Tax and the Tax Revenues shall be and remain pledged for the security and payment of the Bonds in principal and interest and for all other payments provided for in this Refunding Bond Resolution until the Bonds shall have been retired as to principal and interest. Bonds issued hereunder shall constitute a borrowing solely upon the credit of the Tax Revenues and shall not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory provision relating to the incurring of a general obligation indebtedness, nor a pledge of the full faith and credit of the Issuer.

**SECTION 204. Covenant to Levy Tax.** The Issuer covenants and agrees that it shall annually, by separate resolution, levy, impose, enforce and collect the Tax and provide for all reasonable and necessary rules and regulations, procedures and penalties in connection therewith, including the proper application of the proceeds of the Tax, until all of the Bonds have been retired as to both principal and interest or are no longer considered outstanding under this Refunding Bond Resolution. The Issuer further hereby covenants and agrees to adjust upward the millage rate of the Tax to offset declines in assessed valuation to the extent required to generate at least the amount of taxes collected prior to the revaluation, as and to the extent authorized by Article VII, Section 23 of the Louisiana Constitution or other applicable law.

**SECTION 205. Issuance of Additional Bonds.** Additional debt which shall constitute Additional Parity Bonds may be issued or incurred on a parity with the Bonds herein authorized under the conditions prescribed in either Paragraph 1 or Paragraph 2 below:

(a) The Bonds herein authorized and any other debt issued or incurred on a parity therewith, or any part thereof, may be refunded prior to maturity. Additional debt may be issued or incurred on a parity with the Bonds to refund less than all of the Bonds or other debt issued or incurred on a parity therewith within six months of the final maturity of any outstanding Bonds and other parity debt which is not refunded without regard to the below tests. If less than all outstanding Bonds or other parity debt are to be refunded more than six months prior to maturity, the refunding bonds or debt shall enjoy parity with the unrefunded Bonds or other parity debt remaining outstanding, provided that, in each and every year in which any unrefunded Bonds or parity debt remain outstanding, the amount required to be paid for the discharge of principal of and interest on all bonds or parity debt outstanding after the issuance or incurrence of the refunding bonds or debt will be no greater than the amount that would have been required if the refunding bonds or debt had not been issued.

(b) Additional debt which shall constitute Additional Parity Bonds may be issued on a parity with and in

addition to the Bonds herein authorized for purposes other than refunding if all of the following conditions are satisfied upon their issue:

1. All payments required to have been made for the benefit of all outstanding bonds secured by the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) of the Issuer, whether issued under the same or different authority as the Bonds herein authorized, as to principal and interest, must have been made, and no debt secured by the Tax (other than as specified above) of the Issuer shall then be in default as to principal or interest and no other Event of Default has occurring and is continuing unless the issuance would cure the default;
2. There shall have first been executed by an authorized officer of the Board and there shall have been received by the Issuer and the Bond Insurer an opinion of a firm of independent certified public accountants both to the effect that:
  - a. for each of the two fiscal years of the Issuer immediately prior to the issuance or incurrence of such additional debt for which audited financial statements are available, the total revenues from the proceeds of the Tax shall have equaled at least 1.22 times the maximum annual debt service in any future fiscal year on all outstanding indebtedness of the Issuer secured by a pledge of the proceeds of the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) determined as if the proposed additional debt were outstanding; and
  - b. it is projected that the total revenue from the proceeds of the Tax for the fiscal year immediately subsequent to the incurrence of such additional debt or obligation shall equal at least 1.22 times the maximum annual debt service on all outstanding indebtedness of the Issuer secured by the Tax (other than FEMA CDL Loans and loans due the State of Louisiana pursuant to its GO Zone Tax Credit Bond Program) determined as if the proposed additional debt were then outstanding.

**SECTION 206. Computation of Anticipated Maximum Annual Debt Service; Variable Rate Debt.** In the event that the "maximum annual debt service" must be determined in connection with the issuance of Additional Parity Bonds as set forth in Section 205 above or for any other purpose with respect to this Refunding Bond Resolution or any resolution authorizing the issuance of parity debt to be secured by the Tax, the anticipated maximum annual debt service on the proposed additional debt or any other variable rate debt which must be taken into account in such calculation shall be calculated by assuming that the rate of interest thereon will be and remain equal to the per annum rate of the 30 Year Revenue Bond Index, published by the Bond Buyer no more than two weeks prior to the date of sale of the additional parity debt, plus 50 basis points.

### **ARTICLE III. GENERAL TERMS AND PROVISIONS OF THE BONDS**

**SECTION 301. Denominations, Dates, Maturities and Interest.** The Bonds shall be dated their date of delivery, shall be in fully registered form, shall be in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof within a single maturity, shall be numbered consecutively from R-1 upward, shall bear interest from the date thereof or from the most recent Interest Payment Date to which interest has been paid or provided for not to exceed 9% per annum. The Bonds may mature on November 1, 2008 thru 2014, inclusive with no maturity later than November 1, 2015, in the amounts and bearing interest at the rate or rates not to exceed 9% per annum all as to be provided in the Supplemental Resolution.

**SECTION 302. Legends.** The Bonds may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Refunding Bond

Resolution as may necessary or desirable to comply with custom or otherwise as may be determined by the Board prior to the delivery thereof.

**SECTION 303. Payment of Principal and Interest.** (a) The principal of, interest on, and premium, if any, on the Bonds are payable in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts at the principal corporate trust office of the Paying Agent, upon presentation and surrender thereof. Interest on the Bonds is payable by check mailed on or before each Interest Payment Date by the Paying Agent to the Owner thereof (determined as of the close of business on the Record Date) at the address of such Owner as it appears on the Bond Register. Upon the request of an Owner of at least \$1,000,000 in principal amount of Bonds, and upon furnishing the Paying Agent in writing wire transfer instructions in a form acceptable to the Paying Agent, payments of interest and principal at maturity shall be made by wire transfer in immediately available funds to a domestic account designated in writing by such Owner.

(b) Except as otherwise provided in this Section, Bonds shall bear interest from 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 if and to the extent that the Board shall default in the payment of the interest on any Bonds due on any Interest Payment Date, then all such Bonds shall bear interest from the most recent Interest Payment Date to which interest has been paid on the Bonds, or if no interest has been paid on the Bonds, from their dated date.

(c) The Person in whose name any Bond is registered at the close of business on 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 notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

**SECTION 304. Payment of Interest; Interest Rights Preserved.** Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond (or one or more predecessor Bonds) is registered on the Regular Record Date for such Interest Payment Date. Such interest shall be payable by check mail to the Paying Agent on the applicable Interest Payment Date.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Owner on the relevant Regular Record Date by virtue of having been such Owner on such date; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names the Bonds (or their respective predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Certificate and the date of the proposed payment, and at the same time the Issuer shall deposit with the Paying Agent and amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the persons entitled to such Defaulted Interest. Thereupon the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall not be more than fifteen (15) days nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Paying Agent and Bond Insurer of the notice of the proposed payment. The Paying Agent shall promptly notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore to be mailed, first class, postage prepaid, to the Bond Insurer and each Certificate Owner at his/her address as it appears in the Certificate Register not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefore having been mailed as foresaid, such Defaulted Interest shall be paid to the persons in whose names the Certificates (or their respective predecessor Certificates) are registered on such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Refunding Bond

Resolution upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

**SECTION 305. Exchange of Bonds; Persons Treated as Owners.** The Paying Agent is hereby constituted and appointed the registrar for the Bonds, and the Paying Agent shall establish and keep the Bond Register at its principal corporate trust office. At reasonable times and under reasonable regulations established by the Paying Agent, said list may be inspected and copied by the Issuer or by the Owners (or a designated representative thereof) of 15% of the Bond Obligation.

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.

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 denomination of the same maturity and like aggregate principal amount. At the option of an Owner, 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 the principal corporate trust office of the Paying Agent. Whenever any Bonds are so surrendered for exchange, the Paying Agent shall register and deliver in exchange therefor the Bond or Bonds which the Owner making the exchange shall be entitled to receive.

No service charge to the Owners 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.

All Bonds delivered upon any registration of transfer or exchange of Bonds shall be valid obligations of the Issuer, evidencing the same debt and entitled to the same benefits under this Refunding Bond Resolution as the Bonds surrendered.

Prior to due presentment for registration of transfer of any Bond, the Issuer, the Board and the Paying Agent, and any agent of the Issuer, the Board 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 306. Bonds Mutilated, Destroyed, Stolen or Lost** In case any Bond shall become mutilated or be improperly cancelled, or be destroyed, stolen or lost, the Issuer may in its discretion adopt a resolution and thereby authorize the issuance and delivery of a new Bond in exchange for and substitution for such mutilated or improperly cancelled Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon the Owner (i) furnishing the Issuer and the Paying Agent proof of his ownership thereof and proof of such mutilation, improper cancellation, destruction, theft or loss satisfactory to the Issuer and the Paying Agent, (ii) giving to the Issuer and the Paying Agent an indemnity bond in favor of the Issuer and the Paying Agent in such amount as the Issuer may require, (iii) complying with such other reasonable regulations and conditions as the Issuer may prescribe and (iv) paying such expenses as the Issuer and the Paying Agent may incur. All Bonds so surrendered shall be delivered to the Paying Agent for cancellation pursuant to Section 308 hereof. If any Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

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

"This bond is issued to replace a lost, cancelled or destroyed bond under

the authority of R.S. 39:971 through 39:974."

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

**SECTION 307. Preparation of Definitive Bonds, Temporary Bonds** Until the definitive Bonds are prepared, the Issuer may execute, in the same manner as is provided in Section 309, 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 308. Cancellation of Bonds**. All Bonds paid at maturity, together with all Bonds purchased by the Issuer, shall thereupon be promptly cancelled by the Paying Agent. The Paying Agent shall thereupon promptly furnish to the Executive Director or the Secretary of the Board or the Issuer an appropriate certificate of cancellation.

**SECTION 309. Execution**. The Bonds shall be executed in the name and on behalf of the Issuer by the manual or facsimile signature of the President of the Board, and countersigned by the manual or facsimile signature of the Executive Director of the Issuer or the Board. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been actually delivered, such Bonds may, nevertheless, be delivered as herein provided, and may be issued as if the Person who signed or sealed such Bonds had not ceased to hold such office. Said officers shall, by the execution of the Bonds, adopt as and for their own proper signatures their respective facsimile signatures appearing on the Bonds or any legal opinion certificate thereon, and the Issuer may adopt and use for that purpose the facsimile signature of any person or persons who shall have been such officer at any time on or after the date of such Bond, notwithstanding that at the date of such Bond such Person may not have held such office or that at the time when such Bond shall be delivered such Person may have ceased to hold such office.

**SECTION 310. Registration by Paying Agent**. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Refunding Bond Resolution unless and until a certificate of registration on such Bond 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 Refunding Bond Resolution.

#### **ARTICLE IV. APPLICATION OF PROCEEDS**

**SECTION 401. The Pledge Effected by this Resolution**. There are hereby irrevocably and irrepealably pledged and dedicated in an amount sufficient for the payment of the Bonds in principal and interest as they shall respectively become due and payable, and for the other purposes herein set forth, (a) the proceeds derived from the sale of the Bonds until used as set forth in this Refunding Bond Resolution, (b) the Tax, subject however to the prior payment of the costs and expenses of administration and collection thereof, and (c) all Funds and Accounts herein established, including the moneys or investments, if any, therein or thereof, subject only to the provisions of this Refunding Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Refunding Bond Resolution. It is the intention of the Issuer that, to the fullest extent permitted by law, this pledge shall be valid and binding from the time when it is made, that the Tax so pledged and then or thereafter received by the Issuer shall immediately be subject to the lien of such pledge without any physical delivery or further act, and that the lien of such pledge and the obligation to perform the contractual provisions herein

contained shall have priority over any or all other obligations and liabilities of the Issuer, and that this pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

**SECTION 402. Application of Bond Proceeds.** The Issuer hereby binds and obligates itself to irrevocably deposit in trust with the Escrow Agent under the terms and conditions of the Escrow Agreement, Net Proceeds of the Bonds (less those amounts placed into the Cost of Issuance Account as set for in Section 501 hereof) and other legally available amounts to be provided by the Issuer sufficient to redeem optionally the Prior Bonds and to pay the principal, premium, if any, and interest on the Prior Bonds on the date fixed for their redemption in the Supplemental Resolution.

Any funds remaining in the account created under the Escrow Agreement after the payment of the principal, interest, and premium to redeem the Prior Bonds in accordance with the optional redemption provisions of the Prior Resolutions shall be transferred to the Issuer to be used by it in accordance with the laws of the State.

The Issuer shall deposit accrued interest, if any, received on the Delivery Date of the Bonds into the Interest Account of Bond Fund established by Section 501(c) hereof and to apply said funds to pay a portion of the interest due on the Bonds on the first Interest Payment Date therefore.

**SECTION 403. Redemption of Prior Bonds.** Subject only to the delivery of the Bonds to the Underwriter, all of the Prior Bonds which remain outstanding shall be called for redemption on the date fixed for their redemption in the Supplemental Resolution at the principal amount of each bond so redeemed and accrued interest to the call date, plus the required premium, if any, of the principal amount thereof, in compliance with the Prior Resolutions.

Notice of Defeasance of the Prior Bonds and Redemption of the Prior Bonds, in an appropriate form shall be given by the Escrow Agent and/or the Paying Agent as soon as practicable upon receipt by the Escrow Agent of all amounts to be used to defease the Prior Bonds in accordance with the Prior Resolutions.

## **ARTICLE V FUNDS AND ACCOUNTS**

**SECTION 501. Establishment Bond Fund And Accounts And Purposes thereof.** For the payment of the principal of, premium, if any, and interest on the Bonds, the Issuer hereby establishes and will maintain a special fund designated "Public Improvement Refunding Bonds, Series 2008 Bond Fund" (the "Bond Fund") to be held by the Paying Agent into which the amount of the Tax Revenues or other moneys which may be legally used for such purpose set forth in Section 502 hereof shall be deposited, held, and applied as set forth in this Article V on the dates specified. The Bond Fund shall consist of the following accounts: the "Cost of Issuance Account," "Principal Account" and the "Interest Account."

(a) There shall be deposited in the Cost of Issuance Account of the Bond Fund a sum equal to the Cost of Issuance incurred in connection with the issuance of the Bonds to be paid from the proceeds thereof. The balance remaining in the Cost of Issuance Fund, if any, after the payment of all Cost of Issuance incurred in connection with the sale and delivery of the Certificates shall be transferred to the Issuer.

(b) The Principal Account shall be used to receive, hold and make disbursements of money received by the Paying Agent from the Issuer to be used to pay principal due on the Bonds as a result of scheduled principal payments in the scheduled maturity amounts, and mandatory sinking fund payments.

(c) The Interest Account shall be used to receive, hold and make disbursements of money received by the Paying Agent from the Issuer to be used to pay interest due on the Bonds.

**SECTION 502. Deposits To Bond Fund and Accounts.** The Issuer shall make quarterly deposits of the Tax Revenues, or other moneys which may be legally used for such purpose into the Bond Fund, to be credited as applicable to the Interest Account and/ or the Principal Account thereof, not later than the

fifth Business Day next preceding the first day of each February, May, August and November, commencing August 2008, each of which deposits shall be sufficient in amount to pay at least ½ of the interest and ¼ of the principal due with respect to the Bonds on the next succeeding Interest Payment Date on which interest or principal (at maturity or pursuant to mandatory sinking fund redemption), as applicable, is due. The Bond Fund shall constitute a trust fund held for the benefit of the Owners. Commencing October 1, 2008, the Issuer will use its best efforts to deposit into the Bond Fund within the first four (4) calendar months of each Fiscal Year, amounts of the Tax Revenues or other moneys which may be legally used for such purpose sufficient to make all scheduled payments of principal and interest due on the Bonds in such Fiscal Year.

**SECTION 503. Application of Moneys in the Interest Account.** The amounts paid into the Bond Fund to be used to pay interest on the Bonds shall be deposited into the Interest Account. The sums on deposit in the Interest Account of the Bond Fund shall be used by the Paying Agent to pay the interest due on the Bonds on each Interest Payment Date. If by the fifth Business Day next preceding any Interest Payment Date there is not sufficient monies on deposit within the Interest Account to make the next interest payment due on the Bonds, the Paying Agent shall notify by telefax or wire transmission the Issuer and the Bond Insurer, if any, of the amount of such deficiency. The Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

**SECTION 504. Application of Money in Principal Account.** The amounts paid into the Bond Fund to be used to make scheduled principal payments on the Bonds, whether due upon maturity thereof, or as a result of mandatory sinking fund payments, shall be deposited into the Principal Account of the Bond Fund. The sums on deposit in the Principal Account of the Bond Fund shall be used by the Paying Agent/Registrar to pay scheduled principal payments on the Bonds, whether due upon maturity thereof, or as a result of scheduled mandatory sinking fund payments. If by the fifth Business Day next preceding any Interest Payment Date on which a principal payment is due there is not sufficient monies on deposit within the Principal Account to make such principal payment the Paying Agent shall notify the Issuer and the Bond Insurer by telefax or wire transmission of the amount of such deficiency. The Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

**SECTION 505. Payment of Bonds.** The Issuer shall duly and punctually pay or cause to be paid as herein provided, the principal 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 506. 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 507. Investments.** All sums deposited into the funds and accounts created herein shall be invested only in Qualified Investments. If at any time after investment therein an investment ceases to meet the criteria set forth in the definition of Qualified Investments and such obligation, aggregated with other non-conforming investments, exceeds ten percent (10%) of invested funds, such investment shall be sold or liquidated unless otherwise approved by the Bond Insurer.

Investments (except investment agreements) in Bond Resolution funds and accounts shall be valued at the market value thereof, exclusive of accrued interest, (1) as frequently as deemed necessary by the Bond Insurer, if any, but not less often than annually nor more often than monthly.

Investments purchased with funds on deposit in the Bond Fund shall mature not later than the payment date, as appropriate, immediately succeeding the investment.

The Issuer or the Paying Agent shall terminate any repurchase agreement upon a failure of the counterparty thereto to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the repo securities, liquidate the collateral.

To the extent permitted by applicable law, the Issuer shall deliver in current funds the amount needed to cure any deficiency not later than the close of business on the next succeeding Business Day following the giving of any such notice.

The Issuer or the Paying Agent shall give notice to any provider of a repurchase or investment agreement in accordance with the terms thereof so as to receive funds thereunder with no penalty or premium paid.

The Issuer or the Paying Agent shall, upon actual knowledge of a default under a repurchase or investment agreement or the withdrawal or suspension of either of the ratings of a repurchase or investment agreement Provider or a drop in the ratings thereon below "AA" or "Aa," as appropriate, or "AAA" or "Aaa," as appropriate, in the case of a foreign bank, so notify the Bond Insurer and, if so directed by the Bond Insurer, shall demand further collateralization of the agreement or termination thereof and liquidation of the collateral.

## **ARTICLE VI SUPPLEMENTAL BOND RESOLUTIONS**

**SECTION 601. Supplemental Resolutions Effective Without Consent of Owners.** A resolution supplemental hereto may be adopted by the Issuer, for any one or more of the following purposes and at any time from time to time, which, upon the filing with the Paying Agent, the Bond Insurer and the Issuer of a certified copy thereof, but without any consent of Owners, shall be fully effective in accordance with its terms:

- (a) to make any amendment adopted by the Issuer prior to the initial delivery of the Bonds;
- (b) to add to the covenants and agreements of the Issuer in this Refunding Bond Resolution other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (c) to add to the limitations and restrictions in this Refunding Bond Resolution other limitations and restrictions to be observed by the Issuer or the Board which are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (d) to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of this Refunding Bond Resolution, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Issuer contained in this Refunding Bond Resolution;
- (e) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision of this Refunding Bond Resolution;
- (f) to insert such provisions clarifying matters or questions arising under this Refunding Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with this Refunding Bond Resolution as theretofore in effect;
- (g) to make any other amendment or change which does not materially adversely affect the interests of the Owner of any Bond;
- (h.) to provide for the issuance of Bonds under a book entry system or in bearer form, to the extent permitted by law (but with the opinion of Bond Counsel that such change will not impair the exclusion from gross income for federal income tax purposes of any Tax Exempt Bonds).

**SECTION 602. Supplemental Resolutions Effective With Consent of Owners.** Except as provided in Section 601, any modification or amendment of this Refunding Bond Resolution or of the rights and obligations of the Issuer and of the Owners of the Bonds hereunder, in any particular, may be made by a supplemental resolution, with the written consent of the Owners of the Bonds of a majority of the Bond

Obligation at the time such consent is given. For the purposes of this Section 602 the Bond Insurer shall be considered to be the sole Owner of any Bonds which are insured by the Bond Insurance Policy, if any, as provided in Section 603 below. No such modifications or amendment shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of or the interest on any Bond, or (b) a reduction in the principal amount of any Bond, or the rate of interest thereon, or (c) granting a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to an amendment to the Resolution without the consent of the Owner of such Bond, or modify any of the rights or obligations of either the Paying Agent or the Escrow 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 Refunding Bond Resolution if the same adversely affects or diminishes the rights of the Owners of said Bonds.

If deemed appropriate by the Issuer or the Paying Agent, the Paying Agent shall establish a record date for consents and if Depository Trust Company or its nominee is an Owner it shall be given at least fifteen (15) days prior notice of the establishment of such record date.

**SECTION 603. Consent of Bond Insurer to Supplemental Resolutions Sufficient.** For the purposes of this Refunding Bond Resolution, the Bond Insurer, if any, shall be deemed to be the sole Owner of Bonds insured by the Bond Insurance Policy if any with respect to granting consents to modifications to this Refunding Bond Resolution. If the Bond Insurer shall consent to any modification to this Refunding Bond Resolution, no Owners' consent (other than that of the Bond Insurer) shall be required in order to make any modification to this Refunding Bond Resolution.

No amendment or supplement to this Refunding Bond Resolution or any other Related Document which does not require the consent of Owners on the basis that it is not to the detriment of, or does not adversely affect, Owners may become effective except upon obtaining the prior written consent of the Bond Insurer, if any.

Copies of any modification or amendment to this Refunding Bond Resolution or any other Related Document shall be sent to the Rating Agency at least 15 days prior to the effective date thereof.

## **ARTICLE VII SPECIAL COVENANTS**

**SECTION 701. Tax Covenants.** The Issuer covenants with the holders from time to time of the Tax Exempt Bonds, that so long as any Tax Exempt Bond shall be Outstanding, the Issuer shall:

(a) at all times do, and perform all acts and things necessary or desirable in order to assure that interest paid on the Tax Exempt Bonds shall for the purposes of federal income taxation, be excludable from the gross income of the recipients thereof;

(b) not permit at any time any of the proceeds of the Tax Exempt Bonds or any other funds of the Issuer to be used directly or to acquire any securities, obligations or other investments the acquisition of which would cause any of the Tax Exempt Bonds to be an arbitrage bond as defined in Section 148 of the Code;

(c) restrict the use of proceeds of the Tax Exempt Bonds in such a manner and to such an extent, if any, as may be necessary, after taking into account reasonable expectations, at the time of the delivery of and payment for such Tax Exempt Bonds, so that the Tax Exempt Bonds will not constitute "arbitrage bonds" as defined in Section 148 of the Code;

(d) cause the President or Executive Director or any other officer having responsibility for issuing the Tax Exempt Bonds, alone or in conjunction with any other officer, trustee, employee or agent of or consultant to the Issuer, to give an appropriate certificate of the Issuer, for inclusion in the transcript of proceedings for the Tax Exempt Bonds, setting forth the reasonable expectations of the Issuer regarding the amount and use of the proceeds of the Tax Exempt Bonds and the facts, estimates and circumstances on which they are based, such certificate to be premised on the reasonable expectations and the facts, all as of the

date of delivery of and payment for the Tax Exempt Bonds;

(e) not take or permit to be taken any action which would cause the Tax Exempt Bonds to be deemed "private activity bonds" under the Code;

(f) not permit the Tax Exempt Bonds to become directly or indirectly federally guaranteed; and

(g) file Internal Revenue Form 8038-G pursuant to Section 149(e) of the Code.

Without limiting the generality of the foregoing, the Issuer covenants and agrees that there shall be paid from time to time all amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Tax Exempt Bonds from time to time. This covenant shall survive payment in full of the Tax Exempt Bonds. The Issuer covenants and agrees that, to the extent permitted by the laws of the State of Louisiana, it will comply with the requirements of the Code in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Tax Exempt Bonds under the Code.

The President or Executive Director is 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 702. Continuing Disclosure.** If the Bonds are not sold in a private placement which is exempt from or otherwise exempt from the provisions of 17 CFR 240.15c2-12 (the "SEC Continuing Disclosure Rules"), the Issuer covenants and agrees for the benefit of the Owners of the Bonds to provide certain financial information and operating data relating to the Issuer (the "Annual Report"), and to provide notices of the occurrence of the events enumerated in Section (b)(5)(i)(C) of the SEC Continuing Disclosure Rules, if material. The annual Report will be filed by the Issuer with each Nationally Recognized Municipal Securities Information Repository ("NRMSIR"), and with the Louisiana State Information Depository ("Louisiana SID"), if any, all as defined in the Continuing Disclosure Rules. Any notices of material events shall be filed with each NRMSIR or with the Municipal Securities Rulemaking Board ("MSRB"), and with the Louisiana SID, if any. The specific nature of the information to be contained in the Annual Report or the notice of material events shall be as more fully set forth in a Continuing Disclosure Certificate, in the form as attached hereto as Exhibit B together with such changes, additions or deletions as may be requested by Bond Counsel, as the same may be amended from time to time in accordance with its terms. Failure to comply with the SEC Continuing Disclosure Rules shall not constitute an "event of default" under this Refunding Bond Resolution, 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 obligation of the Issuer under the Continuing Disclosure Certificate.

## **ARTICLE VIII EVENTS OF DEFAULT**

**SECTION 801. Events of Default** If one or more of the following events ("Events of Default") shall happen:

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

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

(c) if default shall be made by the Issuer in the performance or observance of any other of the covenants, agreements or conditions on its part in this Refunding Bond Resolution, any supplemental resolution or in the Bonds contained and such default shall continue for a period of forty-five (45) days after written notice thereof to the Issuer or any Owner; or

(d) if an action is taken by the Board, the Issuer or the State of Louisiana to limit or alter adversely to the

holders of the Bonds the rights of the Issuer to fulfill its obligations to such Bondholders under this Resolution or otherwise to impair the rights and remedies of such Bondholders.

then, upon the happening and continuance of any Event of Default and the Owners of the Bonds shall be entitled to exercise all rights and powers for which provision is made under Louisiana law other than acceleration of maturity. The Bonds shall not be subject to acceleration of maturity.

**SECTION 802. Consent of the Insurer Upon Default.** Anything in this Refunding Bond Resolution to the contrary notwithstanding, so long as the Bond Insurer is not in default under the Bond Insurance Policy, upon the occurrence and continuance of an Event of Default, the Bond Insurer, acting alone shall have the right to direct all rights and remedies granted to the Bondholders under this Refunding Bond Resolution, including the right to institute any suit, action, or proceeding at law or in equity, and for purposes hereof shall be recognized as the registered owner of the Bonds insured by it under the Bond Insurance Policy.

## **ARTICLE IX CONCERNING FIDUCIARIES**

**SECTION 901. Escrow Agent; Appointment and Acceptance of Duties.** The Issuer intends to select a bank or trust company to serve as the Escrow Agent in the Supplemental Resolution. The President or in his absence the Executive Director is hereby authorized to execute, and the Secretary or Executive Director is hereby authorized to attest to either signature and they are authorized to delivery on behalf of the Issuer an Escrow Deposit Agreement the form of which shall be approved by the officer of the Board executing same and Bond Counsel to the Issuer.

**SECTION 902. Paying Agent; Appointment and Acceptance of Duties.** The Issuer intends to select a bank or trust company to serve as the Paying Agent in the Supplemental Resolution.

## **ARTICLE X SALE OF BONDS**

**SECTION 1001. Sale of Bonds.** The Bonds may be sold at a negotiated sale pursuant to a public offering to the Underwriter, by a private negotiated private placement to the Purchaser or by public bid. The Bonds shall be sold to the Underwriter or Purchaser pursuant to the terms of the Purchase Agreement, a form of which shall be attached to the Supplemental Resolution, provided however that any Underwriter's or Purchaser's Discount of Fee shall not exceed 3% of the original principal amount of the Bonds and after their execution and registration by the Paying Agent, the Bonds shall be delivered to the purchasers or their agents or assigns, upon receipt by the Issuer of the agreed purchase price.

**SECTION 1002. Offering Documents.** The Board does hereby authorize the preparation, printing and distribution of a Preliminary Official Statement, Preliminary Private Placement Agreement or other offering document (the "Preliminary Offering Document") describing the Bonds, the security therefor and other pertinent matters that should be included therein to comply with all applicable laws, regulations and marketing requirements. The Board does hereby authorize the completion, supplementation and/or amendment of the Preliminary Offering Document so that a final offering document (the "Final Offering Document") does not contain any untrue statement of a material fact or omit any statement or information concerning the Issuer or the Bonds which is necessary to make such statements and information therein, in light of the circumstances under which they were made, not misleading. The Board does hereby agree to notify the Underwriter if, within the "underwriting period" within the meaning of Section 15c2-12(d) under the Securities Exchange Act of 1934, as amended any event occurs which would cause the Final Offering Document to contain any untrue statement of a material fact or omit any statement of information concerning the Issuer which is necessary to make such statements and information therein, in light of the circumstances under which they were made, not misleading and to appropriately supplement the Final Offering Document to reflect such event.

## **ARTICLE XI DEFEASANCE**

**SECTION 1101. Defeasance.** (a.) If the Issuer shall (i) pay or cause to be paid to the Owners of all Bonds then Outstanding, the principal and interest to become due thereon, at the times and in the manner stipulated therein and in this Refunding Bond Resolution, and (ii) all necessary and proper fees, compensation, interest charges and expenses of the Paying Agent pertaining to the Bonds with respect to which such payment is made shall have been paid or the payment thereof provided for to the Paying Agent's satisfaction, then, at such times as a Bond shall be deemed to be paid, as aforesaid, such Bond shall no longer be secured by or entitled to any benefits under this Bond Resolution or any rights against the Issuer, and the covenants, agreements and other obligations of the Issuer to the Owners, except for the purposes of receiving any such payment, shall be discharged and satisfied. In such event, the Paying Agent shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Paying Agent shall pay over or deliver to the Issuer all moneys, securities and funds held by them pursuant to this Refunding Bond Resolution which are not required for the payment of Bonds not theretofore surrendered for such payment.

(b) Bonds or interest installments for the payment of which Defeasance Obligations shall have been set aside and shall be held in trust by the Paying Agent or an escrow agent (through deposit by the Issuer of funds for such payment or otherwise) at a maturity date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. Any Bond shall, prior to maturity date thereof, be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if there shall have been deposited with the Paying Agent or an escrow agent Defeasance Obligations, in the amounts and having such terms as are necessary to provide moneys (whether as principal or interest) in an amount sufficient to pay when due the principal or applicable redemption price thereof, together with all accrued interest, all necessary and proper fees, compensation, interest charges and expenses of the Paying Agent or escrow agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for its satisfaction and (2) in the event of an advance refunding, the adequacy of the Defeasance Obligations so deposited to pay when due the principal or applicable redemption price, all accrued interest and all related fees and expenses due with respect thereto shall have been verified by an independent certified public accountant, actuary or other nationally recognized verification agent (a "Verification"). The Escrow Deposit Agreement (which, along with 15 business days prior notice of such defeasance shall be provided to and shall be acceptable in form and substance to the Bond Insurer, if any) shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) no reinvestment of a Defeasance Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (C) there shall be delivered an opinion of nationally recognized Bond Counsel to the effect that the Bonds are no longer "Outstanding" under the Resolution. Each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, the Paying Agent and the Bond Insurer, if any. Bonds shall be deemed "Outstanding" under the Resolution unless and until they are in fact paid and retired or the above criteria are met. In the event any Defeasance Obligation forward delivery or other agreement relating to purchase and/or repurchase of Defeasance Obligation will be employed in connection with a refunding or defeasance, such agreement shall be subject to the approval of the Bond Insurer, if any and shall be accompanied by such opinions of counsel as may be required by the Bond Insurer. The Bond Insurer, if any, shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

## **ARTICLE XII MISCELLANEOUS**

**SECTION 1201. Evidence of Signatures of Owners and Ownership of Bonds** (a) Any request, consent, revocation of consent or other instrument which this Refunding Bond Resolution 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 (1) the execution of any such instrument, or of an instrument appointing any such attorney, or (2)

the ownership by any Person of the Bonds shall be sufficient for any purpose of this Refunding Bond Resolution (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:

- (i) 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 acknowledgments 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;
- (ii) the ownership of Bonds and the amount, numbers and other identification, and date of owning the same shall be proved by the registration books of the Paying Agent.

(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 Board or the Paying Agent in accordance therewith.

**SECTION 1202. Successors and Assigns.** Whenever in this Refunding Bond Resolution the Issuer or the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Refunding Bond Resolution contained by or on behalf of the Issuer or the Board shall bind and enure to the benefit of its successors and assigns whether so expressed or not.

**SECTION 1203. Governing Law.** This Refunding Bond Resolution shall be governed by and interpreted in accordance with the laws of the State of Louisiana.

**SECTION 1204. Severability.** In case any one or more of the provisions of this Refunding Bond Resolution or of the Bonds issued thereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Refunding Bond Resolution or of the Bonds, but this Refunding Bond Resolution 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 Refunding Bond Resolution which validates or makes legal any provision of this Refunding Bond Resolution or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Refunding Bond Resolution and to the Bonds.

**SECTION 1205. Publication of Refunding Bond Resolution.** This Refunding Bond Resolution shall be published one time in the official journal of the Issuer.

**SECTION 1206. Preemption.** For thirty days after the date of publication, any Person in interest may contest the legality of this Refunding Bond Resolution, any provision of the Bonds, the provisions herein made for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. After the said thirty days, no Person may contest the regularity, formality, legality or effectiveness of this Refunding Bond Resolution, any provisions of the Bonds to be issued pursuant to this Refunding Bond Resolution, the provisions for the security and payment of the Bonds and the validity of all other provisions and proceedings relating to their authorization and issuance, for any cause whatever. Thereafter, it shall be conclusively presumed that the Bonds are legal and that every legal requirement for the issuance of the Bonds has been complied with. No court shall have authority to inquire into any of these matters after the said thirty days.

**SECTION 1207. Execution of Documents.** In connection with the issuance and sale of the Bonds, the President and Executive Director are both hereby authorized, empowered and directed to execute on behalf of the Board such documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Refunding Bond Resolution, the signatures of the said officers on such documents, certificates and instruments to be conclusive evidence

of the due exercise of the authority granted hereunder.

**SECTION 1208. Employment of Bond Counsel.** It is recognized that a necessity for special counsel exists with respect to the issuance, sale and delivery of the Bonds and refunding the Prior Bonds. The Godfrey Firm, P.L.C., is hereby selected and retained as Bond Counsel in connection with the issuance, sale and delivery of the Bonds, refunding of the Prior Bonds and preparation of the preliminary and final offering documents for the Bonds. Bond Counsel's fee shall be (i) if the Bonds are actually issued, an amount determined by applying the Attorney General's Fee Schedule for Coordinate Professional Work with Respect to the Issuance of Revenue Bonds (the "Fee Schedule") separately to each of the original principal amounts of the separate series of the Bonds, plus out-of-pocket expenses, but (ii) should none of the Bonds be issued or the fee due under the Fee Schedule for the principal amount of the Bonds actually issued be less than the amount calculated in accordance with the next clause Bond Counsel shall be paid on an hourly rate basis for the actual number of hours incurred with respect to the issuance of the Bonds at the rates included in the Contract for Legal Services existing between the Issuer and The Godfrey Firm, P.L.C. plus out of pocket expenses. Additionally The Godfrey Firm, P.L.C. shall be paid \$22,000 for preparation of the offering documents authorized in Section 1002 herein above.

**SECTION 1209. Adherence To State Bond Commission Swap Policy.** By virtue of Issuer's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, the Issuer hereby resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.," adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

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

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

RESOLUTION ADOPTED: YES

### **COMMITTEE REPORTS:**

**Finance Committee:** Mr. Doody reported the majority of the discussion at the Finance Committee dealt with the issue of the refunding bonds. The Committee also discussed the insurance matters that appear on the Board's agenda.

**Operations Committee:** Mr. McKee reported the Committee met on April 9<sup>th</sup> and heard public comments and a presentation by USACE representative Mike Stout on the 17<sup>th</sup> Street Canal tree and fence removal right-of-entry request. The USACE advised fences could not be replaced; however, Mr. McKee thought this issue could be contested. The Committee discussed the draft vehicle policy presented by Mr. Wittie, tractor cages (the Committee directed that each levee district assure tractor operators have protection), and a cooperative endeavor agreement with the USACE with Regional Director Robert Turner being directed to proceed with the CEA initiative.

Mr. McKee advised a scope of work incorporating the Committee's discussions was prepared by DMJM Harris for the drainage study mandated by Act 1, which the Committee recommended for approval. The approved scope of work and costs of the

study will be presented to the Department of Natural Resources (DNR) in order to fulfill legislative requirements. The Committee also requested that audits be secured from the USACE or DOTD to verify DMJM Harris' pricing mechanisms.

Mr. Turner explained a revised scope of work was negotiated with DMJM Harris with the first part of Phase 1 concentrating on the collection and placement of existing data on an accessible database and mapped in order to identify opportunities for improvements to the system. The second part of Phase 1 is the identification of operating opportunities and physical needs to implement those operating opportunities. The exploratory work on the polder concept will be done under Phase I.

Mr. Ronald Schumann with DMJM Harris advised the study will look at proposed polder concepts, map elevations and opportunities to create secondary protection within the hurricane protection system, determine the feasibility of developing the concept looking at benefits and challenges, and provide recommendations for further investigation.

Mr. Turner added, a big part of this effort is to assure all stakeholders are kept informed, as well as the public; therefore, part 3 of Phase I involves a number of meetings with stakeholders and the public for collecting data and/or presenting information. Phase I will identify areas that the Authority will want to look into deeper in Phase II. Phase II is not a part of the original task. The information and data provided in Phase I will be evaluated to determine whether to move on to Phase II. The fee proposal for Phase I has been developed. The resolution before the Board would advance this study to DNR for funding.

The Board then took action on Agenda Item XIII.A.1 to approve Proposed Scope of Work for Pump Drainage Systems Study.

#### **RESOLUTION #04-17-08-05 - SLFPAE – PROPOSED DRAINAGE STUDY**

On the motion of Mr. McKee,  
Seconded by Mr. Goins, the following resolution was offered:

**WHEREAS**, Act 1 of the 2006 First Extraordinary Session of the Louisiana Legislature requires the Southeast Louisiana Flood Protection Authority-East (Authority or SLFPA-E) to conduct a study of pump drainage systems operated by entities within its territorial boundaries to determine the challenges, benefits, and opportunities of developing a plan to fully coordinate the systems; and  
**WHEREAS**, by Resolution #07-19-07-013 on July 19, 2007, the Board authorized a request for proposals from qualified engineering firms to conduct the pump drainage system study, and by Resolution #12-20-07 on December 12, 2007, the Board approved the ranking of the three top qualified engineering firms presented by a committee appointed by the President to review qualifications, carry out the selection process and provide the results to the Board; and  
**WHEREAS**, Resolution #12-20-07 further delegated authority to the SLFPA-E Regional Executive Director to finalize a scope of work and cost for the drainage study, with the firm ranked number one; i.e., DMJM Harris, Inc.  
**WHEREAS**, a proposed scope of work was drafted by DMJM Harris, Inc.

and presented to the Operations Committee at its meeting on April 9, 2008, at which time comments were offered relative to reversing the sequence of Tasks 1 and 2 under Phase I, and upon incorporation of this revision recommended for Board approval; and

**WHEREAS**, the appropriate governmental audit or other guidance shall be utilized to assure rates are consistent with area rates and a final cost projection shall be prepared; and

**WHEREAS**, the funding currently authorized for the Authority is insufficient to meet its administrative needs and legislated responsibilities, therefore, the Authority is unable to fund this mandated Pump Drainage Systems Study.

**BE IT HEREBY RESOLVED**, that the SLFPA-E approves the Southeast Louisiana Flood Protection Authority-East Pump Drainage Systems Study Proposed Scope, dated April 14, 2008.

**BE IT FURTHER RESOLVED**, that a copy of this Resolution, along with the Proposed Scope and final cost projection, be sent to Louisiana Department of Natural Resources Secretary Scott Angelle to obtain the funding required to conduct this legislatively mandated study.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

Mr. McKee also reported that in response to the Committee discussions on turf establishment problems, the USACE revised its turf establishment specifications incorporating Mr. Wittie's comments. The levee districts presented their detailed reports, which are posted on the SLFPAE website. He announced the appointment of Mr. Louis Wittie as Chairman of the Operations Committee effective May, 2008.

Mr. Barry expressed his concern about learning of the East Jefferson levee stability problems through reading an article in this morning's Times Picayune, which demonstrates a lack of communications between the USACE and the Board. He stated he was informed that the USACE had indicated the Board had been informed of this problem in internal meetings and he requested comment on this communications issue.

Mr. Goins responded he had not received this information at any of the internal meetings he attended. He further commented on communication problems. Drawings and specifications are received in design submittals; however, calculations are not provided, therefore the assumptions are unknown. He attended a PRO meeting for the first time and requested the type of schedule information he had been receiving from the HPO, but has not received that information. Also, critical information and findings from the London Avenue Load Test that as an engineer he needs for evaluation of floodwall design has not been received.

Mr. Doody requested that Mr. Victor Landry, who was present in the audience, carry the message back to the USACE that the Board would like to be in the information loop.

Mr. Barry reminded everyone that within a couple of weeks of the Board being seated that he and Mr. Jackson met with Assistant Secretary of the Army John Paul Woodley. Mr. Jackson asked for insertion much higher up on the food chain and Assistant Secretary Woodley assured them that that would happen and would not be a problem.

A recommendation was made that a resolution be drafted for the Board's next meeting regarding this communications issue.

EJLD Executive Director Fran Campbell advised she was aware there was a stability issue which was the reason the Reach 2 Project was delayed, as was reported in the district's last two monthly reports. A general statement was made that the USACE had problems meeting the new design criteria because of stability concerns. She assumed additional information would be received as the USACE looked further into this situation.

Mr. Jackson asked Ms. Campbell whether she was informed about the consequences of this new stability finding. Ms. Campbell responded she was informed there was a possibility that a section of the levee may have to be degraded. The USACE had advised there were other options, such as enlarging the floodside of the levee.

Mr. Goins added, a similar situation was involved in the review of the New Orleans East levee project and he provided comment on the matter.

Mr. Doody reiterated the USACE is charged by Congress with the responsibility to design and oversee the construction of the levee protection system. He pointed out that there are not enough Board members with the technical expertise to review every USACE project.

Mr. Jackson explained the new Spencer method of analysis was used and resulted in the reported stability findings and provided comment on some of the options.

**Legal Committee:** Ms. Sutherland reported the Committee met on April 3<sup>rd</sup> and reviewed invoices presented for the month of March and discussed the Cooperative Endeavor Agreement between the State of Louisiana, LBBLD and SLFPAE for improvements to the Corrine Canal, which the Committee recommends for approval.

**Special Issues Committee:** No meeting was held during the month of April.

## **REPORT BY SLFPA-E REGIONAL DIRECTOR**

Mr. Turner reviewed the Regional Director's Report (copy appended to minutes). He provided additional comment on the fast tracking of the Inner Harbor Navigation Canal project and on the process for the scope of work for external review.

### **EXECUTIVE SESSION:**

1. Reconsideration of Resolution #03-20-08-12 relative to Haspel & Davis Milling and Planting Company, Ltd., et al. v. Board of Levee Commissioners of the Orleans Levee District, Docket No. 31-357, 25<sup>th</sup> Judicial District Court for the Parish of Plaquemines.

2. Right-of-entry request by the USACE for tree and fence removal activities and related surveys in the “fattened levee area” of the 17<sup>th</sup> Street Canal (5310 Bellaire to 6772 Bellaire).

A motion was offered by Commissioner Goins, Seconded by Commissioner Wittie, for the Board to convene in Executive Session to discuss the items listed on the agenda. The Board convened in Executive Session at 12:22 p.m.

The Board reconvened in Regular Session at 1:18 p.m. and the meeting was called back to order.

**RESOLUTION #04-17-08-06 - EJLD HEALTHCARE RENEWAL**

Ms. Campbell advised this is renewal of the current healthcare coverage with a nine percent rate increase.

Mr. Doody explained that the Finance Committee discussed a real need for the levee districts to be homogeneous in benefits. A review of the levee districts’ benefits would be required and he recommended a date be set at the next Finance Committee meeting for the accomplishment of this task.

On the motion of Mr. Jackson,  
Seconded by Mr. Wittie, the following resolution was offered:

**WHEREAS**, the East Jefferson Levee District (EJLD) healthcare coverage will expire on May 1, 2008, and HUMANA has offered to renew the current coverage at a nine percent increase in cost; and

**WHEREAS**, the total estimated current monthly premium is \$50,428.71, subject to change based upon employee enrollment.

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East authorizes the renewal of the current healthcare coverage with HUMANA and authorizes the EJLD Executive Director to sign any and all documents necessary to carry out the above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

**RESOLUTION #04-17-08-07 –  
EJLD RENEWAL OF POLICE BOND AND FLOOD INSURANCE COVERAGE**

Mr. Doody advised that Mr. Pineda commented by e-mail on additional consideration for contents coverages. Mr. Clint Romig explained the limits of contents coverage can be amended at any time and that equipment is covered under a separate coverage.

On the motion of Mr. Jackson,

Seconded by Mr. Goins, the following resolution was offered:

**WHEREAS**, the fidelity bond for the East Jefferson Levee District (EJLD) Police Department and flood insurance coverage for three EJLD buildings are due to expire and quotations for renewal were received through Arthur Gallagher Risk Management Services; and

**WHEREAS**, Western Surety Company has offered to renew the police fidelity bond at an annual premium rate of \$735; and

**WHEREAS**, the EJLD Administration, Maintenance and Police buildings can be renewed under National Flood Insurance Plan, as follows:

- 203 Plauche (Administration building) at an annual premium of \$2,172 with coverage of \$330,000 on building and \$80,000 on contents, each with \$500 deductible;
- 1135 Lesan (Police/Maintenance Complex) at an annual premium of \$1,173 with coverage of \$320,000 on building and \$120,000 on contents, each with \$500 deductible;
- 1135 Lesan (Sandbagging Building) at an annual premium of \$591 with coverage of \$120,000 on building and \$15,000 on contents, each with \$500 deductible.

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East authorizes renewal of the EJLD Police Bond with Western Surety Company and Flood Insurance Coverage, as hereinabove provided, under the National Flood Insurance Plan through Arthur Gallagher Risk Management, and authorizes the EJLD Executive Director to sign any and all documents necessary to carry out the above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS:Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS:None

ABSENT:Mr. Barnes, Mr. Losonsky and Mr. Pineda

#### **RESOLUTION #04-17-08-08 - REPAIR/RENOVATION OF LAKE BORGNE BASIN LEVEE DISTRICT OFFICE (LBBLD)/WAREHOUSE BUILDING**

LBBLD Executive Director Jason McCrossen advised a meeting was held with Mark Hanna, LBBLD legal counsel, the architect, and representatives of Sherlock Construction and the LBBLD, and an agreement has been reached and a final document is being prepared.

Mr. Turner added, this project was bid a second time because all bids had defects the first time it was bid. The second time it was bid, only one bid was submitted; however, the State and FEMA approved the bid since the amount was similar to the first bid.

On the motion of Mr. Goins,

Seconded by Mr. Barry, the following resolution was offered:

**WHEREAS**, bids were solicited through advertisement for the Repair/

Renovation of the Lake Borgne Basin Levee District (LBBLD) Office/Warehouse Building Project; and

**WHEREAS**, bids were received and subsequent to review, a notice of award was issued to Sherlock Construction Incorporated, the lowest responsive and responsible bidder, in the amount of \$417,000.

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East (SLFPA-E) authorizes the SLFPAE Regional Director and LBBLD Executive Director to execute a contract with Sherlock Construction Incorporated in the amount of \$417,000 for the Repair/Renovation of the Lake Borgne Basin Levee District Office/Warehouse Building Project, and to sign any and all documents necessary to accomplish the above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

**RESOLUTION #04-17-08-09 - CEA WITH STATE OF LOUISIANA, LBBLD AND SLFPA-E FOR DRAINAGE IMPROVEMENTS (CORRINE CANAL)**

Mr. McCrossen explained DOTD improved the drainage of St. Bernard Highway some time ago, which resulted in the Corrine Canal being inundated with more water than it was designed to handle. In addition, the drainage improvement plan for St. Bernard requires modification of this canal to handle an additional volume of water. Mr. Turner noted the final language of the Cooperative Endeavor Agreement (CEA) is being negotiated. This a Capital Outlay Project for which a line of credit was received for a portion of the project, and the remaining portion is in Priority 5.

On the motion of Mr. Goins,

Seconded by Mr. Jackson, the following resolution was offered:

**WHEREAS**, the Lake Borgne Basin Levee District (LBBLD) has successfully obtained funding from the State of Louisiana Capital Outlay Program (COP) for Drainage Improvements to (Complement) LA 46 Roadway and Drainage Improvement Project Between Paris Road and Webster Road, Planning and Construction; and

**WHEREAS**, in order to proceed with the Drainage Improvements to LA 46 Roadway Drainage Improvement Project between Paris Road and Webster Road, Planning and Construction (St. Bernard) [Corrine Canal], a Cooperative Endeavor Agreement is required between the State of Louisiana represented by the Office of Facility Planning and Control (FP&C) of the Division of Administration, Lake Borgne Basin Levee District (LBBLD) and Southeast Louisiana Flood Protection Authority-East (SLFPA-E).

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East approves the Cooperative Endeavor Agreement between the State of Louisiana, Lake Borgne Basin Levee District and Southeast Louisiana Flood Protection Authority-East -- Drainage Improvements to LA 46 Roadway Drainage Improvement Project between Paris Road and Webster

Road, Planning and Construction (St. Bernard), FP&C Project No. 36-L08-07B-01, and authorizes the SLFPAE President and LBBLD Executive Director to execute the CEA and any and all other documents necessary to accomplish the above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

**RESOLUTION #04-17-08-10 -**

**O.L.D. PROCUREMENT OF FLOOD ASSETS DIVISION PROPERTY HAZARD (WIND/FIRE) INSURANCE PROCUREMENT COVERAGE**

O.L.D. Executive Director Stevan Spencer advised this coverage is for the Franklin Administration and Warehouse Buildings. A cost breakdown for the \$5 million Primary and \$10 million Excess Coverages was distributed. TRIA coverage is available; however, it was not considered necessary for this particular property.

On the motion of Mr. Barry,

Seconded by Mr. Goins, the following resolution was offered:

A Resolution to authorize the procurement of Primary and Excess Property Hazard (Wind/Fire) Insurance for the Franklin Administration Building and the Franklin Warehouse under the control of the Orleans Levee District Flood Asset Division and the SLFPA-East Board offered by proposal submitted by Allied World Assurance Company and Westchester Surplus Lines Company through Eagan Insurance Agency.

**WHEREAS**, the Franklin Administration Building and the Franklin Warehouse Property Primary and Excess insurance coverages will expire on April 20, 2008; and

**WHEREAS**, the most responsive proposal of \$5 Million Primary coverage was offered by Allied World Assurance Company through Eagan Insurance Agency at an annual premium plus policy tax of \$173,263.65, and the most responsive proposal for a \$10 Million Excess coverage was offered by Westchester Surplus Lines Insurance Company through Eagan Insurance Agency at an annual premium plus policy tax of \$78,750.00 for the Franklin Administration and the Franklin Warehouse, at a total annual cost of \$252,013.65.

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East authorizes the procurement of Primary and Excess Property Hazard (Wind/Fire) Insurance coverage as offered by Allied World Assurance Company and Westchester Surplus Lines Insurance Company through Eagan Insurance Agency at a total cost of \$252,013.65 for a period of one year commencing on April 20, 2008 and ending on April 20, 2009 at 12:01 AM, and authorizes the Executive Director of the Orleans Levee District Flood Assets Division to execute any and all documents necessary to carry out the

above.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS:None

ABSENT:Mr. Barnes, Mr. Losonsky and Mr. Pineda

**RESOLUTION #04-17-08-11 - O.L.D. – PURCHASE OF RADIOS  
WITH INTEROPERABLE COMMUNICATIONS CAPABILITY**

Mr. Spencer advised currently the O.L.D. Police Department has seven radios and the field yard operations have four radios. Twenty-five additional radios will be purchased in order to provide each police officer with a radio with the Flood and Non-Flood Divisions each paying half the cost.

EJLD and LBBLD police officers currently have interoperable radios, and the Authority has two such radios. Mr. Turner advised a district-wide radio check will be performed next week.

On the motion of Mr. Barry,

Seconded by Mr. Goins, the following resolution was offered:

**WHEREAS**, the purchase of 25 Motorola XTS -2500 portable radios and two Motorola XTL-2500 mobile units for dispatching and logging for Police communications is required in order to fully equip the Orleans Levee District (O.L.D.) Police Department with the interoperable communications capability currently needed by law enforcement agencies for directing security, evacuation, investigations and traffic control efforts as mandated by Homeland Security; and

**WHEREAS**, the total cost of all radios and accessories required is \$64,837.35, which shall be allocated between the Flood and Non-Flood Divisions of the O.L.D. at 50 percent (\$32,418.68) each.

**BE IT HEREBY RESOLVED**, that the Southeast Louisiana Flood Protection Authority-East authorizes the purchase of the aforementioned radio equipment at a cost of \$32,18.68 to the O.L.D. Flood Division.

The foregoing was submitted to a vote, the vote thereon was as follows:

YEAS: Mr. Barry, Mr. Goins, Mr. Jackson, Mr. McKee and Mr. Wittie

NAYS: None

ABSENT: Mr. Barnes, Mr. Losonsky and Mr. Pineda

The next Board meeting will be held on Thursday, May 15, 2008 at the Lake Vista Community Center, 6500 Spanish Fort Blvd., New Orleans, LA.

There was no further business, therefore, the meeting was adjourned at 1:32 p.m.

# SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST

## REGIONAL DIRECTOR'S REPORT

April 17, 2008

### **100 Year Level of Protection**

#### Inner Harbor Navigation Canal:

On April 1, 2008, the USACE (on behalf of the Federal Government) and the Louisiana Coastal Restoration and Protection Authority (as the non-Federal Sponsor) signed the PPA for the IHNC Project.

On Thursday, April 3, 2008, the USACE awarded "the largest civil works design build contract in the history of the Corps" to Shaw Environmental and Infrastructure, Inc. for \$695,489,766.

On April 9, 2008 I attended a meetings held by the USACE to debrief those who had submitted proposals to do the IHNC work. The strengths and weaknesses found in each proposal were discussed with the proposer and the proposer was allowed to ask questions.

On April 11, 2008 Steve Spencer and I attended a meeting with USACE and Shaw to discuss some of the parameters pertinent to the hydraulic modeling and analysis for the IHNC Project.

On April 16, 2008 Gerry Gillen and I attended the IHNC – Shaw E&I Kick-off Meeting at the Sheraton in New Orleans. Most of the discussion centered around preliminary scheduling, points of contact, and contract administration.

#### Right-of Way Acquisition:

Preliminary ROW maps are being prepared by the USACE for the IHNC Project. The maps will be transmitted to SLFPAE and CPRA in the very near future. I will schedule a meeting with LDOTD to discuss the options available to secure the required right-of-way.

#### Elevation Map:

The USACE has published a map showing the 100 year level of protection elevations for the hurricane protection levee system in the metro New Orleans area. The elevations depicted are current as of February 7, 2008. It can be found at the following web address:

<http://www.mvn.usace.army.mil/hps/>

## LPVHPP Chalmette Loop

On March 26, 2008 the Partnering Meeting for 100 Year Level of Protection in St. Bernard Parish was held at the USACE District Headquarters. The EAR for the St. Bernard Projects should be published by the USACE in the near future.

### **Submittals**

Copies of the following major submittals are available for review in the SLFPAE office:

- LPV-104.01A Lakefront Ramp Crossing 60% Review (Orleans Levee District)
- LPV-106 and LPV 108, New Orleans East 60% Review (Orleans Levee District)
- LPV-101 Lakefront Project 60% review (Orleans Levee District)
- Breakwater at Bonnabel Pumping Station No. 1 95% Review (East Jefferson Levee District)

### **Drainage Study**

The revised Scope of Work has been submitted by the Consultant and was discussed at the Operations Committee Meeting.

### **Flood Fight**

The Bonnet Carre Spillway was opened on Friday, April 11, 2008 for the first time in 11 years. The Spillway is used to keep the River flow at New Orleans below 1.25 million cfs. As of April 14, 2008, 84 bays of the Spillway were open. Flow through the Spillway is estimated at more than 80,000 cfs. Design Flow is 250,000 cfs.

Both the USACE and the Levee Districts continue with 7 days a week increased surveillance.

### **Internal Affairs**

Proposals for the Actuarial Study and the Organizational Study & Strategic Plan have been submitted. Review panels are being established to review the proposals and make a recommendation of award.

On March 25, 2008, I met with Nancy Powell of the USACE Hydraulics Section to review the results of the hydraulic modeling used to determine storm surge heights and wave characteristics for Southeast Louisiana. The model utilized more than 150 storms of varying size, intensity, and return frequency to statistically determine the 1% storm surge height at various locations along the LPV Hurricane Protection System.

On March 28, 2008 we attended a meeting at the USACE Casting Field in St. Francisville, LA to view several test sections utilizing different armoring products. A demonstration was conducted to illustrate maintainability of the sections. Overtopping was not originally part of the test. Recently, however, the levee containing the test sections was overtopped due to high river stages. Information can now be collected to determine the performance of each section during overtopping.

On April 8, 2008 I attended a Professional Development Exercise at ERDC in Vicksburg, MS. We viewed the modeling done for the New Orleans Area and toured ERDC's computer facilities and labs. Several presentations were made concerning storm surge modeling, environmental analysis, and decision models.

On April 9, 2008, we attended a Concept Peer Review Meeting with the USACE. At the meeting we discussed the peer review process for the IHNC project. A proposed Scope of Work was distributed for the work at the meeting. LDOTD and SLFPAE reviewed the Scope and submitted comments the following day. The USACE revised the Scope to incorporate our major comments.

On April 9, 2008 I also attended a meeting with the USACE and the Emergency Operations staff of the various Parishes to discuss the flood fight efforts along the Mississippi River. POC information was exchanged at the meeting.

On April 18, 2008 we will inspect the Bohemia Spillway.

## **Upcoming Events**

March 31     Deadline for submitting proposals for the Organizational Study and Strategic Plan

April 23 - 24   IHNC Partnering Conference

May 1 – 2     Association of Levee Boards of Louisiana  
23<sup>rd</sup> Annual Workshop  
Baton Rouge

*Act 785 of 1985 requires Levee Board Commissioners to attend a training session conducted by the Office of Public Works, now the Department of Transportation and Development, at least once during their term. The Workshop conducted by ALBL is designed to meet this requirement.*

June 2 – 6     SAME-ASCE Midwest Levee Conference  
Managing Flood Risk Together