

10-R-1899

(Do Not Write Above This Line)

A RESOLUTION  
BY FINANCE/ EXECUTIVE  
COMMITTEE

SERIES 2010A/B SUPPLEMENTAL  
BOND RESOLUTION

A RESOLUTION SUPPLEMENTING THAT  
CERTAIN FOURTEENTH  
SUPPLEMENTAL BOND ORDINANCE OF  
THE CITY OF ATLANTA ADOPTED ON  
JULY 6, 2009, AS AMENDED BY A FIRST  
AMENDMENT TO FOURTEENTH  
SUPPLEMENTAL BOND ORDINANCE  
ADOPTED ON SEPTEMBER 8, 2009 AND  
AS FURTHER AMENDED BY AN  
AMENDED AND RESTATED  
FOURTEENTH SUPPLEMENTAL BOND  
ORDINANCE OF THE CITY OF ATLANTA  
ADOPTED ON OCTOBER 4, 2010, TO,  
AMONG OTHER THINGS, SET FORTH  
THE TERMS OF (1) THE AIRPORT  
GENERAL REVENUE BONDS, SERIES  
2010A (THE "SERIES 2010A BONDS")  
AND (2) THE AIRPORT PASSENGER  
FACILITY CHARGE AND SUBORDINATE  
LIEN GENERAL REVENUE BONDS,  
SUBSTITUTE.

- CONSENT REFER
- REGULAR REPORT REFER NOV 05 2010
- ADVERTISE & REFER
- 1st ADOPT 2nd READ & REFER
- PERSONAL PAPER REFER

Date Referred  
Referred To:  
Date Referred  
Referred To:  
Date Referred  
Referred To:  
Referred To:

First Reading

Committee \_\_\_\_\_  
Date \_\_\_\_\_  
Chair \_\_\_\_\_  
Referred To \_\_\_\_\_

Committee  
Date 10/27/10  
Chair J. S. ...

Action  
Fav, Adv, Hold (see rev. side)  
Other  
Members

Refer To

Committee

Date

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Refer To

Committee

Date

Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Committee

Date

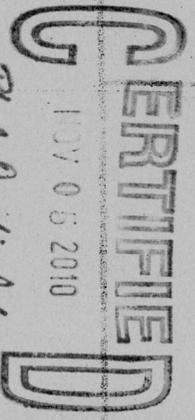
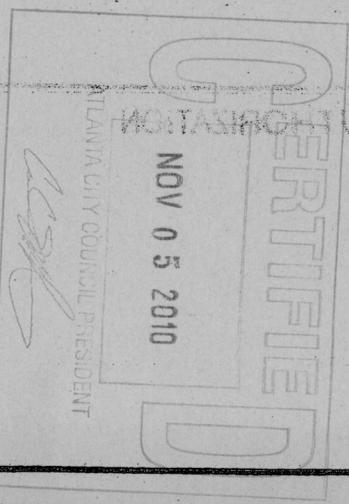
Action  
Fav, Adv, Hold (see rev. side)  
Other

Members

Refer To

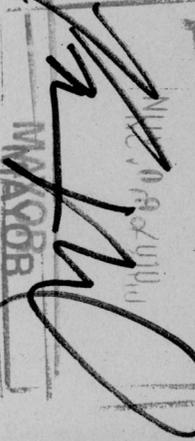
FINAL COUNCIL ACTION  
 2nd  1st & 2nd  3rd  
 Consent  V Vote  RC Vote

CERTIFIED



Municipal Clerk

MAYOR'S ACTION





**SERIES 2010A/B SUPPLEMENTAL BOND RESOLUTION**

**A RESOLUTION SUPPLEMENTING THAT CERTAIN FOURTEENTH SUPPLEMENTAL BOND ORDINANCE OF THE CITY OF ATLANTA ADOPTED ON JULY 6, 2009, AS AMENDED BY A FIRST AMENDMENT TO FOURTEENTH SUPPLEMENTAL BOND ORDINANCE ADOPTED ON SEPTEMBER 8, 2009 AND AS FURTHER AMENDED BY AN AMENDED AND RESTATED FOURTEENTH SUPPLEMENTAL BOND ORDINANCE OF THE CITY OF ATLANTA ADOPTED ON OCTOBER 4, 2010, TO, AMONG OTHER THINGS, SET FORTH THE TERMS OF (1) THE AIRPORT GENERAL REVENUE BONDS, SERIES 2010A (THE "SERIES 2010A BONDS") AND (2) THE AIRPORT PASSENGER FACILITY CHARGE AND SUBORDINATE LIEN GENERAL REVENUE BONDS, SERIES 2010B (THE "SERIES 2010B BONDS" AND, TOGETHER WITH THE SERIES 2010A BONDS, THE "SERIES 2010A/B BONDS") WITHIN CERTAIN PARAMETERS PREVIOUSLY ESTABLISHED BY THE CITY INCLUDING THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT, INTEREST RATES, MATURITY AMOUNTS, MATURITY DATES, REDEMPTION PROVISIONS AND DEBT SERVICE RESERVE REQUIREMENT WITH RESPECT THERETO; RATIFY CERTAIN PRIOR ACTIONS OF THE CITY COUNCIL AND CERTAIN OFFICERS AND AGENTS OF THE CITY WITH RESPECT TO THE ISSUANCE AND SALE OF THE SERIES 2010A/B BONDS; AUTHORIZE AND APPROVE THE PREPARATION, USE AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE OFFER AND SALE OF SAID SERIES 2010A/B BONDS; SET FORTH THE TERMS AND COVENANTS ASSOCIATED WITH A MUNICIPAL BOND INSURANCE POLICY RELATED TO SAID SERIES 2010A/B BONDS; PROVIDE AN EFFECTIVE DATE; AND FOR OTHER RELATED PURPOSES.**

**WHEREAS**, certain capitalized terms used in this Series 2010A/B Supplemental Bond Resolution (the "**Supplemental Resolution**," and referred to as the "**Confirming Ordinance**" in the Original Ordinance) shall have the meaning given to them in the hereinafter described Original Ordinance; and

**WHEREAS**, the City of Atlanta (the "City" or the "Issuer") adopted that certain Fourteenth Supplemental Bond Ordinance (No. 09-O-1099) on July 6, 2009, as amended by that certain First Amendment to Fourteenth Supplemental Bond Ordinance (No. 09-O-1407) adopted on September 8, 2009 and as further amended by the Amended and Restated Fourteenth Supplemental Bond Ordinance (No. 10-O-0599) adopted on October 4, 2010 (collectively, the "**Original Ordinance**"), authorizing, among other things, the issuance and sale of its Airport General Revenue Bonds, Series 2010A (the "Series 2010A Bonds") and the issuance and sale of its Airport Passenger Facility Charge and Subordinate Lien General Revenue Bonds, Series 2010B (the "**Series 2010B Bonds**," and together with the Series 2010A Bonds, the "**Series 2010A/B Bonds**"), for the purpose of, among other things, (a) financing a portion of the Capital



Improvement Plan consisting of the acquisition, construction and installation of the Maynard H. Jackson, Jr. International Terminal, including, but not limited to, its superstructure, passenger support facilities, airline facilities, ticketing and check-in facilities, passenger security screening system and facilities, concession spaces, elevators, utilities, mechanical, engineering and plumbing systems, roadway system, automated people mover (APM) system, baggage handling/screening system and facilities, a terminal parking structure, a U.S. Customs and Border Protection (CBP) facility expansion, a two-level curbside, passenger loading bridges, underground passenger/baggage connector to the existing international concourse and embankment structures, and land to provide additional long-term parking and to provide a buffer for runway approach and departure protection, together with all other ancillary facilities required in the opinion of the Airport Manager for the operation of the Maynard H. Jackson Jr. International Terminal (the "2010 Project"), and (b) paying certain costs of issuance with respect to the Series 2010A/B Bonds; and

**WHEREAS**, the City desires to ratify the preparation, use and distribution of a final preliminary official statement, dated October 22, 2010 regarding the Series 2010A/B Bonds in the form of Exhibit A attached hereto (the "**Preliminary Official Statement**") and ratify the approval of the preparation and delivery to the Underwriters of the hereinafter defined Official Statement with respect to the Series 2010A/B Bonds; and

**WHEREAS**, the Series 2010A/B Bonds are proposed to be sold pursuant to a Bond Purchase Agreement, dated November 5, 2010 (the "**Bond Purchase Agreement**"), between the City and J.P. Morgan Securities LLC, as representative of itself and the other hereinafter defined Underwriters, a form of which was previously approved in the Original Ordinance, and the City desires to ratify and confirm the approval of the Bond Purchase Agreement, a revised form of which is attached as Exhibit B hereto, including the final aggregate principal amount of, the interest rates on and the redemption provisions relating to the Series 2010A/B Bonds as provided in Section 2 hereof, which amounts and terms (including the maximum annual principal and interest payment) are within the parameters approved by the Original Ordinance; and

**WHEREAS**, the Original Ordinance provides that the City shall, after the Series 2010A/B Bonds have actually been sold, adopt a resolution or ordinance which, among other things, will specify the interest rate or rates per annum which the Series 2010A/B Bonds shall bear, the principal amount of Series 2010A/B Bonds to mature in each year, the maturities of the Series 2010A/B Bonds, if any, which shall be designated as term bonds subject to mandatory redemption, and the optional redemption provisions applicable to the Series 2010A/B Bonds, the terms and covenants associated with any bond insurance policy with respect to the Series 2010A/B Bonds, will provide for the execution and delivery of the Bond Purchase Agreement, will provide for the specific application of proceeds of the Series 2010A/B Bonds and will identify the Underwriters; and

**WHEREAS**, the City has determined that it is in its best interest to cause Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof (the "Bond Insurer" or "**Insurer**"), to provide its municipal bond insurance policy (the "**Policy**") guaranteeing the scheduled payment of principal and interest on a portion of the Series 2010A Bonds, as further described herein.



**NOW, THEREFORE**, the City Council of the City of Atlanta, Georgia hereby resolves as follows:

**Section 1. Ratification of Prior Actions.**

All actions heretofore taken by the City Council and the officers and agents of the City directed toward the issuance and sale of the Series 2010A/B Bonds be and the same are hereby ratified, approved, and confirmed in all respects.

[Remainder of page intentionally left blank]



**Section 2. Series 2010A Bond Details.** (a) The Series 2010A Bonds shall be issued in the original aggregate principal amount of \$177,990,000 and shall bear interest at the rates per annum set forth below, payable on July 1, 2011, and semiannually thereafter on each January 1 and July 1 of each year and shall mature on January 1, in the years and in the principal amounts as follows, unless earlier called for redemption:

<b>Maturity (January 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2014	\$ 3,320,000	5.000%
2015	800,000	2.000%
2015	2,665,000	4.000%
2016	3,615,000	5.000%
2017	3,780,000	4.000%
2018	1,955,000	3.000%
2018	1,980,000	5.000%
2019	4,115,000	5.000%
2020	500,000	3.375%
2020	3,820,000	5.000%
2021	480,000	3.500%
2021	4,060,000	5.000%
2022	175,000	3.800%
2022	4,590,000	5.000%
2023	5,010,000	5.000%
2024	460,000	4.000%
2024	4,805,000	5.000%
2025	5,530,000	5.000%
2026	465,000	4.250%
2026	5,350,000	5.000%
2027	6,110,000	5.000%
2028	1,395,000	4.250%
2028	5,025,000	5.000%
2029	600,000	4.500%
2029	6,140,000	5.000%
2030	7,085,000	5.000%
2035	20,000,000	5.000%
2035	580,000	4.750%
2035	1,775,000	4.625%
2035	18,890,000	5.000%
2040	27,915,000	5.000%
2040	25,000,000	5.000%

(b) The four maturities of Series 2010A Bonds that mature on January 1, 2035 and the two maturities of Series 2010A Bonds that mature on January 1, 2040 are term bonds.

(c) The scheduled payment of principal and interest on the Series 2010A Bonds that mature on January 1 in the years 2021 (with a 3.500% coupon), 2028 (with a 4.250% coupon),



2035 (with a 4.625% coupon), 2035 (with a 5.000% coupon and in the principal amount of \$18,890,000), and 2040 (with a 5.000% coupon and in the principal amount of \$27,915,000) is guaranteed by the Policy. The Series 2010A Bonds so secured by the Policy are collectively referred to herein as the “**Insured Bonds.**”

**Section 3. Optional and Mandatory Redemption of Series 2010A Bonds.**(a) The Series 2010A Bonds maturing on and after January 1, 2021 are subject to optional redemption prior to maturity at the option of the City on or after January 1, 2020, in whole or in part at any time at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the redemption date.

(b) In addition, the Series 2010A Bonds that are term bonds maturing on January 1, 2035 and January 1, 2040 are subject to mandatory redemption prior to maturity by application of payments from the Sinking Fund, in authorized denominations of \$5,000 and integral multiples thereof on January 1 in each of the years and in the principal amounts set forth below, at a redemption price equal to the principal amount redeemed plus accrued interest to the date fixed for redemption:

**Series 2010A Bonds Maturing January 1, 2035  
(uninsured 5.000% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2031	\$ 3,610,000
2032	3,795,000
2033	3,990,000
2034	4,195,000
2035*	4,410,000

\* Maturity.

**Series 2010A Bonds Maturing January 1, 2035  
(uninsured 4.750% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2031	\$ 105,000
2032	110,000
2033	115,000
2034	120,000
2035*	130,000

\* Maturity.



**Series 2010A Bonds Maturing January 1, 2035  
(insured 4.625% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2031	\$ 320,000
2032	335,000
2033	355,000
2034	370,000
2035*	395,000

\* Maturity.

**Series 2010A Bonds Maturing January 1, 2035  
(insured 5.000% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2031	\$ 3,415,000
2032	3,585,000
2033	3,770,000
2034	3,965,000
2035*	4,155,000

\* Maturity.

**Series 2010A Bonds Maturing January 1, 2040  
(insured 5.000% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2036	\$ 5,040,000
2037	5,300,000
2038	5,565,000
2039	5,850,000
2040*	6,160,000

\* Maturity.



**Series 2010A Bonds Maturing January 1, 2040  
(uninsured 5.000% coupon)**

<b>Redemption Dates (January 1)</b>	<b>Principal Amount</b>
2036	\$ 4,510,000
2037	4,745,000
2038	4,990,000
2039	5,245,000
2040*	5,510,000

\* Maturity.

**Section 4. Series 2010B Bond Details.**

The Series 2010B Bonds shall be issued in the original aggregate principal amount of \$409,810,000 and shall bear interest at the rates per annum set forth below, payable on July 1, 2011, and semiannually thereafter on each January 1 and July 1 of each year and shall mature on January 1, in the years and in the principal amounts as follows, unless earlier called for redemption:

<b>Maturity (January 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2013	\$ 2,220,000	3.000%
2013	22,170,000	5.000%
2014	5,030,000	3.000%
2014	20,540,000	5.000%
2015	500,000	2.000%
2015	26,320,000	5.000%
2016	650,000	4.000%
2016	27,535,000	5.000%
2017	29,625,000	5.000%
2018	31,145,000	5.000%
2019	32,745,000	5.000%
2020	34,420,000	5.000%
2021	225,000	3.750%
2021	35,960,000	5.000%
2022	38,040,000	5.000%
2023	39,990,000	5.000%
2024	26,545,000	5.000%
2025	17,605,000	5.000%
2026	18,545,000	5.000%



**Section 5. Optional Redemption of Series 2010B Bonds.** The Series 2010B Bonds maturing on and after January 1, 2021 are subject to optional redemption prior to maturity at the option of the City on or after January 1, 2020, in whole or in part at any time at a redemption price of 100% of the principal amount being redeemed, plus accrued interest to the redemption date.

**Section 6. Application of Proceeds of Series 2010A/B Bonds.** From the proceeds derived from the sale of the Series 2010A/B Bonds, the following payments shall be made, simultaneously with the issuance and delivery of the Series 2010A/B Bonds, to the extent and in the manner herein set forth:

(1) From the proceeds of the Series 2010A Bonds:

(A) The sum of \$12,336,309.38 shall be deposited into the Capitalized Interest Account of the Construction Fund of the proceeds of the Series 2010A Bonds designated for capitalized interest on the Series 2010A Bonds.

(B) The aggregate sum of \$16,400,000.00 shall be deposited into the Capitalized Interest Accounts of the Construction Fund of the proceeds of the Series 2000 Bonds, the Series 2004A/B Bonds, and the Series 2004F/G Bonds, designated for capitalized interest on the portions of such Bonds used to fund a portion of the 2010 Project.

(C) The sum of \$18,514,775.68 shall be deposited into the Series 2010A Subaccount of the Debt Service Reserve Account.

(D) The sum of \$982,573.15 shall be used to pay the cost of issuance, including the Policy premium of the Series 2010A Bonds.

(E) The sum of \$136,000,000.00 shall be deposited into the Series 2010A Project Account of the Construction Fund.

(2) From the proceeds of the Series 2010B Bonds:

(A) The sum of \$44,127,312.50 shall be deposited into the Series 2010B Subaccount of the Debt Service Reserve Account.

(B) The sum of \$1,688,525.37 shall be used to pay the cost of issuance of the Series 2010B Bonds.

(C) The sum of \$400,000,000.00 shall be deposited into the Series 2010B Project Account of the Construction Fund.

**Section 7. Official Statement.** The use and distribution of the Preliminary Official Statement in the form of Exhibit A attached hereto is hereby authorized, ratified, confirmed, and approved in all respects. The execution and delivery by the Chief Officer, the City Finance Officer and the Airport Manager of a final official statement with respect to the Series 2010A/B Bonds in the form of the Preliminary Official Statement with such changes, modifications, insertions and deletions thereto as the Chief Officer, the City Finance Officer or the Airport



Manager, in his or her discretion, may approve (the “**Official Statement**”) shall be and is hereby authorized, confirmed and approved in all respects. The execution of the Official Statement by the Chief Officer, the City Finance Officer or the Airport Manager shall constitute conclusive evidence of the Chief Officer's confirmation, approval, and delivery thereof on behalf of the City.

**Section 8. Sale of Series 2010A/B Bonds.** The City shall sell the Series 2010A/B Bonds to the Underwriters for the aggregate price of \$630,049,496.08 plus accrued interest to the date of payment and delivery of the Series 2010A/B Bonds. The Chief Officer and the City Finance Officer are hereby authorized to execute and deliver, on behalf of the City, the Bond Purchase Agreement providing for the sale of the Series 2010A/B Bonds in the form of Exhibit B attached hereto. The execution and delivery of the Bond Purchase Agreement by the Chief Officer or the City Finance Officer shall constitute conclusive evidence of the ratification, confirmation, and approval by the City of the terms and conditions of the Bond Purchase Agreement and the corporate seal of the City shall be affixed to the Bond Purchase Agreement and attested by the Attesting Officer, if required.

**Section 9. Bond Insurer Provisions.**

The provisions of this Section 9 shall govern and control the Insured Bonds issued under the Amended and Restated Fourteenth Supplemental Bond Ordinance, notwithstanding anything to the contrary in the Original Ordinance or in this Supplemental Resolution.

(a) “Insurance Policy” shall be defined as follows: “the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.”

“Insurer” shall be defined as follows: “Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), a New York stock insurance company, or any successor thereto or assignee thereof.”

(b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund for the series bonds of which the Insured Bonds are a part. Notwithstanding anything to the contrary set forth in the Bond Ordinance, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on Bonds.

(c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Insured Bonds are entitled to take pursuant to the section or article of the Bond Ordinance pertaining to defaults and remedies. Mandamus is available as a remedy to the Insurer in such capacity.

(d) The maturity of Insured Bonds shall not be accelerated without the consent of the Insurer. In the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the



date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer is hereby deemed a third party beneficiary to the Bond Ordinance.

(g) Any Insured Bonds purchased by or on behalf of the Issuer shall be immediately cancelled unless the Insurer consents otherwise.

(h) Any amendment, supplement, modification to, or waiver of, the Bond Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

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

(j) The rights granted to the Insurer under the Bond Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

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



cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“Accountant”) verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date (“Verification”), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer “Outstanding” under the Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow. Bonds shall be deemed “Outstanding” under the Bond Ordinance unless and until they are in fact paid and retired or the above criteria are met.

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

(m) Each of the Issuer and Paying Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the General Revenues under applicable law.

(n) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“Payment Date” in this section 9) there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Bond Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the “Insurer’s Fiscal Agent”) by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other



advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

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

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the General Revenues and payable from such General Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent.



Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(o) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy. Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(p) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Bond Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Bond Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Bond Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance or any other Related Document.

(q) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

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

(s) The notice address of the Insurer is: Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.), 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. [insert policy no.], Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(t) The Insurer shall be provided with the following information by the Issuer or Paying Agent, as the case may be:



- (i) Annual audited financial statements within 150 days after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Ordinance), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
- (ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;
- (iii) Notice of any default known to the Paying Agent or Issuer within five Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the Insured Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;
- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;
- (ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents; and
- (x) to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.
- (u) The Insurer shall have the right to receive such additional information as it may reasonably request.



(v) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

(w) The Issuer shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.

(x) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Bond Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(y) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Bond Ordinance would adversely affect the security for the Bonds or the rights of the Bondholders, the Issuer shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(z) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(aa) So long as any Insured Bonds remain outstanding or any amounts are owed to the Insurer by the Issuer, the Issuer not shall enter into any interest rate exchange agreement, cap, collar, floor, ceiling, or other agreement or instrument involving reciprocal payment obligations between the Issuer and a counterparty based on interest rates applied to a notional amount of principal entered into by or on behalf of the Issuer and payable from or secured in whole or in part by the General Revenues (an "Interest Rate Exchange Agreement"), without the prior written consent of the Insurer, unless: (i) the Interest Rate Exchange Agreement is entered into to manage interest costs related to, or a hedge against (A) assets then held, or (B) debt then outstanding, or (C) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Interest Rate Exchange Agreement does not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any termination payments to be made by or on behalf of the Issuer to a swap provider must be subordinate in priority and security to the priority and security of the payment of debt service on the Insured Bonds with respect to the General Revenues. The Issuer shall not designate an early termination of any Interest Rate Exchange Agreement unless it demonstrates to the satisfaction of the Insurer prior such designation that the payment of any resulting termination or settlement amount that is to be payable by the Issuer that such payment will not cause the Issuer to be in default under the Bond Ordinance, including but not limited to, any monetary obligations thereunder. All counterparties to any Interest Rate Exchange Agreement (or their credit support providers) must have a rating of at least "A-" and "A3" by S&P and Moody's,



respectively. If the counterparty or credit support provider's rating falls below "A-" or "A3" by either S&P or Moody's, respectively, the counterparty or credit support provider shall execute a credit support annex to the Interest Rate Exchange Agreement with the Issuer as the secured party and otherwise in accordance with industry standards for municipal swaps. If the counterparty or the credit support provider's long term unsecured rating falls below "Baa3" or "BBB-" by either Moody's or S&P, respectively, a replacement counterparty or credit support provider meeting the above rating standards shall be required.

(bb) Notwithstanding any provision to the contrary in the Bond Ordinance, the Issuer shall use actual amortization on all Bonds and Parity Debt then Outstanding to determine annual principal and interest requirements for purposes of the Bond Ordinance, disregarding any provision in the Bond Ordinance allowing for assumed, hypothetical or deemed amortization.

(cc) The subsidy payments received by the Issuer as a consequence of any Parity Bonds being Recovery Zone Economic Development Bonds or Build America Bonds under the American Recovery and Reinvestment Act of 2009, or any similar subsidy of debt service (collectively, "Federal Subsidy") shall not constitute an offset to debt service for purposes of the Bond Ordinance (including for purposes of determining "Debt Service Requirements" as such term is used in the Bond Ordinance) and (ii) the Issuer's obligation to pay principal and interest on the Insured Bonds is not net of the Federal Subsidy so that if such Federal Subsidy is suspended, reduced or terminated, the Issuer shall remain obligated for the full amount of principal and interest on the Insured Bonds

**Section 10. Continuance and Effect of Original Ordinance.**

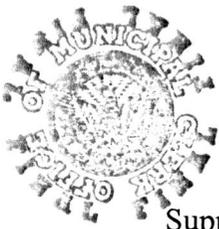
The City hereby confirms the existence and applicability of the Original Ordinance and ratifies, restates, and reaffirms its representations, warranties, covenants, and agreements and all of the applicable terms, conditions, and provisions as set forth in the Original Ordinance, as supplemented by this Supplemental Resolution. Except where otherwise expressly indicated in this Supplemental Resolution, the provisions of the Original Ordinance are to be read as part of this Supplemental Resolution as though copied verbatim herein, and provisions of this Supplemental Resolution shall be read as additions to, and not as substitutes for or modifications of (except as otherwise specifically provided herein), the provisions of the Original Ordinance. Except as expressly amended, modified, or supplemented by this Supplemental Resolution, all of the terms, conditions, and provisions of the Original Ordinance shall remain in full force and effect. In executing and delivering this Supplemental Resolution, the City shall be entitled to all powers, privileges, and immunities afforded to the City and shall be subject to all the duties, responsibilities, and obligations of the City under the Original Ordinance.

**Section 11. Effective Date.** This Supplemental Resolution shall take effect immediately upon its adoption and approval.

**Section 12. Repealing Clause.** Any and all ordinances and resolutions, or parts of ordinances or resolutions, if any, in conflict or inconsistent with this Supplemental Resolution are hereby repealed insofar as there is conflict or inconsistency.



[SIGNATURE PAGE TO FOLLOW]



**Section 13. Supplemental Bond Resolution Constitutes a Contract.** This Supplemental Resolution supplements and amends a contract with the Bondholders binding the City, and therefore it is proper and appropriate for the Chief Officer to execute the same on behalf of the City and for the Attesting Officer to attest the same.

**CITY OF ATLANTA**

(SEAL)

By: \_\_\_\_\_  
Kasim Reed, Mayor

Attest:

\_\_\_\_\_  
Municipal Clerk

Approved As To Form:

*Cathy Hampton*  
\_\_\_\_\_  
City Attorney

**A true copy,**  
*Phonda Daughlin Johnson*  
**Municipal Clerk**

**ADOPTED by the Atlanta City Council**  
**APPROVED by Mayor Kasim Reed**

**NOV 05, 2010**  
**NOV 09, 2010**

RCS# 680  
11/05/10  
11:32 AM

Atlanta City Council

REGULAR SESSION

10-R-1899

AMEND SERIES 2010A/B SUPPLEMENTAL BOND  
ORDINANCE  
ADOPT ON SUB

YEAS: 10  
NAYS: 0  
ABSTENTIONS: 1  
NOT VOTING: 1  
EXCUSED: 0  
ABSENT 4

Y Smith	Y Archibong	Y Moore	B Bond
B Hall	Y Wan	Y Martin	B Watson
A Young	Y Shook	Y Bottoms	B Willis
Y Winslow	Y Adrean	Y Sheperd	NV Mitchell

10-R-1899