

MINUTES OF THE  
BLANCHARD MAYOR AND TOWN COUNCIL  
REGULAR MEETING – MARCH 8, 2011  
7:00 O'CLOCK

Present: Mayor Digilormo, Alderpersons Ashby, Jones, Lee, Prewett, and Whittington, Chief Presswood, Atty. Tom Arceneaux, Bond Atty. Jack Brown, Auditor Sam Stevens, Bond Atty. David Henderson, Dave Cherry, David Yeates, Town Clerk Debra Smith, and various citizens.

Absent: None.

Pledge of Allegiance led by Prewett.  
Invocation given by Reverend Dale Sauls.

Questions and Statements of Citizens:

Mayor Digilormo: "Okay. At this time we are having questions and statements of citizens and I ask if anyone wants to speak they fill out a form. But we are gonna be a little different tonight, we have so many people and I appreciate everyone being here. So if someone has a comment after these are made, just raise your hand and then we'll address it and then listen to your statement or comment. First gentleman I'd like ...Mike Jacobs.

Mr. Mike Jacobs: "As a point of statement for the community ... we've had issues against the Mayor and a local paper and as an individual who has been here all my life I want to see it stop. It's out of control. It's not where it should be. I would ask from the community and ask all of the above involved...do we have an issue between *the Inquisitor* and the Mayor and if we do, why can't we resolve this? Why can't we put it away because it hurts the Town. We don't need this and I would like to see that addressed, from not only the Mayor but from Danny. Where can we go with this? Solve it, put it away, move on. Let's do the good for this Town.

Mayor: "Do you want me to read your statement here?"

Jacobs: "Yes."

Mayor: "I have from Mike to Danny Lawler, is it true...a statement that Danny said...made a comment that Ken said where he's at war with the Town?"

Mayor: "My reply to that is this. As you know in our Town Hall up there we have a sign that says that you are recorded and videoed. Anytime you come in the office up there ... and its for our protection as well as the citizens and here's what I have from December 8, 2010. Danny Lawler at the front counter of Town Hall talking to Debra, our Town Clerk. He had originally requested the salaries, but had not specified he wanted all employees salaries and names. At 13:22 p.m., he is seen looking at the sign on the front counter "Video and Audio Monitoring in Process." After a few minutes regarding faxes, at 13:26 Danny, this is Danny's quote: 'I'm kinda helping Ken out, too. He's P O'd. The town is charging all these big ol' review fees on these subdivisions he's putting in. He made a mistake and got the town to annex 400 acres of his land and now they are putting in these subdivisions and Blanchard is the only town in the state charging big ol' review fees. You would think they would want progress and development there was an article in yesterday's paper where Bossier, City in Bossier paid for developers and put in half of the fees, but Blanchard they want to charge him out the yah-yah, and he's mad. He's declared war.' These are the statements that Mr. Lawler made inside our Town so these records...somebody needs a copy after the meeting, they can get 'em. I just want to clarify that because I have been accused of fabricating this and it's not so, so. That's the answer to that question there. Next we have..."

Mr. Danny Lawler: "He wanted me to address it, too. Didn't he?"

Mayor: "No."

Lawler: "Oh, I thought I heard him say...."

Mayor: "No. You're not on here.

Lawler: "Oh, Okay, I think the war was against YOU and David Yeates and not the Town."

Mayor: "Sir, you're out of order, okay."

Lawler: "Okay."

Mayor: "You're out of order. Okay, next we have Angela Tappe."

Mrs. Angela Tappe: "I'm Angela Tappe, I'm also the Chairman of the Economic Development Board and the Zoning Board for the Town of Blanchard. I think it's imperative that we put our differences aside and that we all join together and have positive publicity for our town, because in order to develop and grow

our town... I don't know if y'all are aware, but there's a lot of site selection companies that look for various places around this state. Shreveport, Bossier, Blanchard, they're all under the microscope right now and it's important that we be positive and that we show how wonderful this town is to live, work, and raise a family and we want to be able to move this town forward. Especially with the institution of I mean the bringing about of I-49, that can really make a positive change for our community. This is a wonderful town to live in, to work, and grow your family and we all need to kinda be on the same sheet of music. Try to work together for the positive of all the citizens in the town of Blanchard and the businesses and our community. Thank you."

Mayor: "Okay, next we have James Hill. Do you have anything?"

Pastor James Hill: "I'm just like the rest of these folks, I would like to see us have a community that's together and try to make this the best place to live and I don't really see where this is being productive and helpful in that way at all. So I would like to see us be able to work these things out and move forward."

Mayor: "Thank you. Next we have Becky Digilormo."

Mrs. Becky Terhune Digilormo: "I would like to state this for the record: my name is Becky Terhune Digilormo. I am the wife of Mayor Johnny "Bubba" Digilormo. I have been a resident of Blanchard for almost 52 years. I am very proud of my hometown. We have dedicated fire and police departments that keep our town a safe place to live. We have a wonderful school system and teachers, many churches, organizations and of course the famous Poke Salad Festival. Our town council and staff work hard to make Blanchard a better place. As a matter of fact, the 2010 Census Report stated that Blanchard grew more than any other town in Caddo Parish. So that shows Blanchard is a good place to live. It has been suggested that Danny Lawler, the editor and owner of the weekly newspaper known locally as *The Inquisitor*, has worked together with his employees and family to use his newspaper for the purpose of publishing insulting and malicious articles about our Mayor and Town in his newspaper for his families personal gain. As a resident I feel that the administration of the Town of Blanchard, past and present, have done an excellent job working diligently to improve the quality of life for everyone. In closing, I would like to say that my husband is a hard worker. He is a Mayor with a heart for his town. I am very proud of him. He is honest, full of integrity and character. His friends know it as you can see by everybody here, his constituents know it, and his family knows it. And I want to thank ya'll for letting me talk today."

Mayor: "Okay, Mr. Lawler."

Mr. Danny Lawler: "Thank you Bubba. I just want to let you know we don't really have anything personally against you. As a newspaper, we're supposed to do investigations and report the facts. These are public records that we went in and inquired with you about. We inquired about your hunting trip. You misled us into the fact that Etech does not have any business relationship with the Town and then we find out that they're wanting to participate in the \$9.5 million water treatment plant project. And then you told us that you paid for the trip with a check last year and then we find out that 'Oh, I paid with cash.' What are we to think? What are we to think other than the fact..."

Mayor: "How long have you known me?"

Lawler: "I've known you a long time, Bubba."

Mayor: "Have I ever lied to you?"

Lawler: "No sir. In fact I'm shocked."

Mayor: "Okay, what makes you think I'm lying this time?"

Lawler: "I was honestly shocked."

Mayor: "Did you think I lied to you this time?"

Lawler: "I do."

Mayor: "So you honestly think I lied?"

Lawler: "I think you did, sir. I wanted to believe when I sat down with you...I had no idea we were going to come to what we came to."

Mayor: "Who came to that?"

Lawler: "What do you mean?"

Mayor: "I hadn't said a word. You're maliciously attacking me every week in that paper and you're spinning lies and half-truths in there."

Lawler: "Sir."

Mayor: "Did you not make a comment in there that I RAN to Mississippi and turned myself in?"

Lawler: "Correct."

Mayor: "That was a lie."

Lawler: "That was what Mississippi told us."

Mayor: "That's a lie. You should have checked with me."

Lawler: "Did you not make a confession?"

Mayor: "I called over there."

Lawler: "Were you not issued a summons?"

Mayor: "No I was issued a ticket, not a summons. I don't have to appear in court."

Lawler: "Okay, I think a ticket and a summons are the same thing."

Mayor: "How you twist the story is how you want it."

Lawler: "No, that's how we were told. (crowd talking) Anyway, anyway, we as a newspaper have an obligation to investigate (people talking and meeting called back to order)... Anyway, we have an obligation to report what we find. You know I don't see how you're any different than anybody else that we go and do a story about."

Mayor: "I didn't say I was different...."

Lawler: "When there are new things that come to light, we find out about that you went over there and made a confession. But my gosh, I mean, we are supposed to report that we are gonna report it, I imagine the next time we will report is when whatever you do in court."

Mayor: "I'm not going to court."

Lawler: "Well if you pay the ticket, I'm sure we'll report how much the fine was. We will report things like the Harley Davidson tickets, we will report the credit card charges and things like that. Things that we find that we feel are of interest to this town. To try to make it better. Nobody loves this town any more than I do, or that David does, my dad does, our family. Nobody loves this town any more than we do and my brother, Ken, me and Ken, we don't always agree on everything. I'm gonna be honest with you on that. As a matter of fact, we've had a better relationship in the past 6 months than we've ever had."

Mayor: "Wonder why, pretty obvious."

Lawler: "That's not it, that's not it. Any way, if you let me get to it, Ken has invested more in this town probably than anybody and he pays more property tax, I bet you, than anybody, why would he ever want to smear the town's name, he wants to make it better. That's all I have to say."

Mayor: "Okay."

Lawler: "And I want you to know that there's nothing personal between you and I."

Mayor: "It is, it is, just have a seat."

Lawler: "Well, you made it that way."

Mayor: "Mr. Fuller."

Mr. John Fuller: "I would like to make a statement. I did run for this town council, and I didn't win. But I've lived out here 14 years and over the years, I've met a number of people out here. And I know Bubba and I know Bubba's son and I respect them both. As far as this, I think it's trash. All y'all put in here is to sell this paper and I honestly believe all y'all doing is using this ...I don't know the Lawlers, okay, but all I do honestly believe all y'all doing is using this paper for leverage against Bubba."

Mayor: "Mrs. Terhune."

Mrs. Ollie Terhune: "I'm gonna be a little bit nervous about this, but I want to ask one question of Danny: are you a fair and balanced newspaper?"

Lawler: "Can I answer that?"

Mayor: "She asked you the question."

Lawler: "Well, a guy asked me a question awhile ago and you wouldn't let me answer. We try to be ma'am."

Terhune: "Why is it then on October 1, of 2010, when Ken was arrested for public intoxication and fighting and whatever else, was never on the front page of the newspaper?... he was in a little bitty thing in the back. Why wasn't he on the front page?"

Lawler: "Well, he's not a mayor, for one thing."

Several conversations going on at same time. Mayor uses gavel to call meeting back to order.

Mr. Harold B. Olenhausen: "Bubba, I've know you for 14 years and I know you've been an honest man. I've gone on a number of corporate trips in my decade as a salesman, I never got a receipt."  
Mayor: "Ok."

Brother Hill: "I've known this man as his pastor for 27 years and I know that Bubba has a good heart and honest heart and that whatever allegations have been brought and been misconstrued and used in a way that is detrimental to him and to the town of Blanchard and I respect this man and I believe he's doing the right thing for the people of Blanchard.

Aldersperson Jones: "I'd like to say something. And I only speak as one board member here, but as a elected official of the town of Blanchard, I believe I have two responsibilities. One is that I have to ensure that the town is operating fairly and that town funds are being expended in an appropriate manner and that everything is running the way you would expect it to. That's my first responsibility. The second responsibility that I believe I have is to be fair to people when allegations are alleged against them and to conduct a fair investigation and determine whether or not the allegations have merit or do not have merit and I would expect that any result with respect to that report, once completed, would be published in *The Inquisitor* as well. Do I have that commitment from you, Mr. Lawler?"

Lawler: "Yes, ma'am."

Jones: "Ok. So I want you to understand where the board is coming from or at least this one board member is coming from . I have to balance those two competing responsibilities and have tried to do that with the motion that we made at the last meeting to request an independent audit so we could look at the facts of this, determine whether or not any irregularities occurred, and if they did, take the appropriate action to, (a) protect the town, and (b) be fair to people against whom accusations have been made. So I think that has been my approach to it and I've got the support of the board on that so I don't want to speak for the board but I think you will find these are the two balancing concerns that we have as board members. So I want everyone to understand that."

Mayor: "Thank you, Allison."

Motion by Jones to accept the minutes of the regular meeting of February 8, 2011, second by Lee. All voted yea.

#### OLD BUSINESS

##### Public Hearing on Ordinance 1 of 2011(2nd Supplemental Bond Ord.)

The public hearing was opened at 7:24. There being no discussion, the public hearing was closed at 7:25.

##### Vote on Ordinance 1 of 2011

The following ordinance, having been previously introduced on January 11, 2011, Notice of Introduction having been published on January 21, 2011, and a public hearing held thereon on March 8, 2011, was offered for final adoption by Lee, and seconded by Prewett.

#### SECOND SUPPLEMENTAL BOND ORDINANCE 1 of 2011

A supplemental Bond Ordinance authorizing the issuance of not exceeding \$6,535,200 of Water Revenue Bonds, Series 2011A, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; and providing for other matters in connection therewith.

WHEREAS, the Town of Blanchard, State of Louisiana (the "Issuer") now owns and operates a waterworks plant and system as a revenue-producing public utility (the "System"); and  
WHEREAS, the Issuer currently has the following obligations payable from a pledge and dedication of the income and revenues of the System:

(i) \$1,800,000 Town of Blanchard, State of Louisiana Water Revenue Refunding Bonds Series 2000 (the "Series 2000 Bonds");

(ii) \$3,920,000 Town of Blanchard, State of Louisiana Water Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds");

(iii) \$1,000,000 Town of Blanchard, State of Louisiana Water Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), which are issued as drawdown bonds and entitled to 100% principal forgiveness; and

(iv) \$2,657,000 Town of Blanchard, State of Louisiana Water Revenue Bonds, Series 2010B (the "Series 2010B Bonds"), which are issued as drawdown bonds; and

WHEREAS, pursuant to Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1011, *et seq.*), and other constitutional and statutory authority (the "Act"), it is the desire of this Mayor and Board of Aldermen to provide for the issuance of revenue bonds of the Issuer, for the purpose of providing additions and improvements to the System, and paying the costs of issuance thereof; and

WHEREAS, on November 24, 2009, this Mayor and Board of Aldermen (the "Governing Authority") adopted a General Bond Ordinance entitled: "A General Bond Ordinance authorizing the issuance from time to time of Water Revenue Bonds of the Town of Blanchard, State of Louisiana; prescribing the form, and certain terms and conditions of said Bonds; providing for the payment thereof in principal and interest; and providing for other matters in connection therewith" (the "General Bond Ordinance"), which authorizes the issuance of bonds from time to time for the aforesaid purposes; and

WHEREAS, on January 12, 2010, this Governing Authority also adopted a First Supplemental Bond Ordinance entitled "A supplemental Bond Ordinance authorizing the issuance of not exceeding \$3,657,000 of Water Revenue Bonds, Series 2010, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; designating said Bonds as Build America Bonds pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended; and providing for other matters in connection therewith" (the "First Supplemental Ordinance"), which authorized the issuance of the Series 2010A Bonds and the Series 2010B Bonds; and

WHEREAS, it is now the desire of this Governing Authority to authorize the issuance of not exceeding \$6,535,200 of Water Revenue Bonds, Series 2011A of the Issuer, for the purpose of paying the costs of constructing and acquiring acquisitions, improvements, extensions and replacements to the System as further set forth in Exhibit B hereto and paying costs of issuance ("Costs of the Project");

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Aldermen of the Town of Blanchard, State of Louisiana, acting as the governing authority of Town of Blanchard, State of Louisiana, that:  
SECTION 1. Definitions. In addition to words and terms elsewhere defined in the General Bond Ordinance and this Second Supplemental Bond Ordinance, the following words and terms as used in this Second Supplemental Bond Ordinance shall have the following meanings, unless some other meaning is plainly intended:

*"Administrative Fee"* means, with respect to the 2011A Bonds and any other Bonds purchased by the Department from the State Loan Fund, the annual fee equal to one-half of one percent (0.50%) per annum of the outstanding principal amount of such bonds, or such lesser amount as the Department may approve from time to time, which shall be payable each year in two equal semi-annual installments on each Interest Payment Date.

*"Code"* means the Internal Revenue Code of 1986, as the same may be amended and supplemented from time to time, including any regulations promulgated thereunder or any administrative or judicial interpretations thereof.

*"Department"* means the Louisiana Department of Health and Hospitals, an executive department and agency of the State, and any successor to the duties and functions thereof with respect to the State Loan Fund.

*"Loan Agreement"* means the Loan and Pledge Agreement to be entered into by and between the Department and the Issuer, prior to the delivery of the 2011A Bonds, which will contain certain additional agreements relating to the 2011A Bonds and any other series of Bonds purchased by the Department from the State Loan Fund, which Loan Agreement shall be in substantially the form attached hereto as Exhibit B, as it may be supplemented, modified or amended from time to time in accordance with the terms thereof.

*"Paying Agent"* with respect to the 2011A Bonds means the Clerk of the Issuer, unless and until a successor Paying Agent shall have assumed such responsibilities pursuant to the General Bond Ordinance.

*"Reimbursement Expenditures"* means Costs of the Project made prior to the date of delivery of the Series 2011A Bonds, but not more than sixty days prior to May 12, 2009, which was the date of adoption

of an "official intent" Ordinance pursuant to Section 1.150-2 of the United States Treasury Regulations under Section 150 of the Code.

"Second Supplemental Ordinance" means this ordinance authorizing the issuance of the 2011A Bonds.

"State Loan Fund" means the Drinking Water Revolving Loan Fund established by the State of Louisiana, pursuant to Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 30:2821, *et seq.*) in the custody of the Department, which is to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State, as more fully described in La. R.S. 30:2825(A)(2).

"2011A Bonds" means the Issuer's Water Revenue Bonds, Series 2011A authorized to be issued by this Second Supplemental Ordinance and particularly by Section 2 hereof.

**SECTION 2. Authorization of 2011A Bonds.**

(a) In compliance with and under the authority of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (La. R.S. 39:1011, *et seq.*), there is hereby authorized the incurring of an indebtedness of not exceeding Six Million Five Hundred Thirty-Five Thousand Two Hundred Dollars (\$6,535,200) for, on behalf of and in the name of the Issuer, for the purpose of paying the costs of constructing and acquiring improvements, extensions and replacements to the System as further set forth in Exhibit B hereto and paying costs of issuance, and to represent the indebtedness, this Governing Authority does hereby authorize the issuance of up to Six Million Five Hundred Thirty-Five Thousand Two Hundred Dollars (\$6,535,200) of Water Revenue Bonds, Series 2011A, of the Issuer. The Series 2011A Bonds shall be dated the Delivery Date thereof, and the exact principal amount of the bonds, not to exceed \$6,535,200 as stated above, shall be determined by the Executive Officers at the time of delivery of the 2011A Bonds. The 2011A Bonds shall be issued to finance Costs of the Project.

(b) The 2011A Bonds shall be Fixed Rate Bonds and the Interest Payment Dates shall be September 1, 2011, and semi-annually thereafter on each March 1 and September 1 of each year. The 2011A Bonds shall bear interest at the rate of two and ninety-five hundredths percent (2.95%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable on each Interest Payment Date, or such lower rate as may be in effect for loans from the State Loan Fund at the time of delivery. In addition to interest at the rate set forth above, at any time that the Department owns the 2011A Bonds the Issuer will pay the Administrative Fee to the Department on each Interest Payment Date. In the event (i) the Department owns any 2011A Bonds or the Department has pledged or assigned any 2011A Bonds in connection with its Drinking Water Revolving Loan Fund and (ii) the Administrative Fee payable by the Issuer to the Department under the terms of the Loan Agreement is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the 2011A Bonds shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

(c) [RESERVED]

(d) The 2011A Bonds shall mature in twenty (20) installments of principal, payable annually on each March 1, and each annual installment shall be the applicable percentage shown in the following tables, rounded to the nearest \$1,000, of the outstanding principal amount of the applicable series of the 2011A Bonds on the day before the applicable Principal Payment Date:

Date (March 1)	Percentage of Principal	Date (March 1)	Percentage of Principal
2012	3.741%	2022	8.743%
2013	4.001	2023	9.863
2014	4.290	2024	11.266
2015	4.615	2025	13.070
2016	4.981	2026	15.479
2017	5.396	2027	18.854
2018	5.872	2028	23.921
2019	6.423	2029	32.369
2020	7.066	2030	49.273
2021	7.828	2031	100.000

In the event that the Completion Date of the Project being financed with the 2011A Bonds is after March 1, 2012, the principal payment schedule set forth above may be adjusted so that each payment shall be

- due on the March 1 that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the Delivery Date.
- (e) The principal and interest on the 2011A Bonds shall be payable by check mailed to the registered owner of the 2011A Bonds (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent for such purpose, provided that payment of the final installment of principal on the 2011A Bonds shall be made only upon presentation and surrender of the 2011A Bonds to the Paying Agent.
- (f) The principal installments of the 2011A Bonds are subject to prepayment at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date and in such case the remaining principal of the 2011A Bonds shall continue to mature in installments calculated using the percentages shown in Section 2(d) above.
- (g) The 2011A Bonds shall be issued in the form of a single fully registered bond, initially numbered AR-1 and shall be in substantially the form attached hereto as Exhibit A.
- (h) The Clerk of the Issuer shall be the initial Paying Agent for the 2011A Bonds.
- (i) The 2011A Bonds are hereby awarded to and sold to the Department at a price of par plus accrued interest, if any, under the terms and conditions set forth in the Loan Agreement, and after their execution and authentication by the Paying Agent, the 2011A Bonds shall be delivered to the Department or its agents or assigns, upon receipt by the Issuer of the agreed purchase price. Pursuant to the Act and La. R.S. 39:1426(B), the Issuer has determined to sell the 2011A Bonds at a private sale without the necessity of publishing any notice of sale.
- (j) No proceeds of the 2011A Bonds shall be deposited into the Reserve Fund, however upon the delivery of the 2011A Bonds the Issuer shall establish the "Series 2011A Account" in the Reserve Fund and shall cause the Reserve Fund Requirement to be deposited to said account within five (5) years after the Delivery Date. No changes are required at this time with respect to the Contingencies Fund established in the General Bond Ordinance.
- (k) No proceeds of the 2011A Bonds will be used to refund any outstanding obligations.
- (l) This Governing Authority finds and determines that the parity requirements of Section 6.01 of the General Bond Ordinance have been satisfied. Furthermore, the Issuer will comply with the parity requirements outlined in the Series 2000 Ordinance and the Series 2005 Ordinance (as defined in the General Bond Ordinance) and will furnish at or prior to delivery of the Series 2011A Bonds a parity certification in substantially the form attached hereto as Exhibit C.
- (m) The Executive Officers are each hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of the General Bond Ordinance and this Second Supplemental Ordinance, to execute and deliver the Loan Agreement, and to cause the 2011A Bonds to be prepared and/or printed, to issue, execute and seal the 2011A Bonds and to effect delivery thereof as hereinafter provided. In connection with the issuance and sale of the 2011A Bonds, the Executive Officers and the chief financial officer of the Issuer are each authorized, empowered and directed to execute on behalf of the Issuer such additional documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the transactions contemplated by this Ordinance. The signatures of said on such documents, certificates and instruments shall be conclusive evidence of the due exercise of the authority granted hereunder.
- (n) The 2011A Bonds are not designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.
- (o) It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because (i) the 2011A Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and (ii) the 2011A Bonds are being sold to only one financial institution (i.e., no more than thirty-five persons), which has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the 2011A Bonds and is not purchasing the 2011A Bonds for more than one account or with a view to distributing the Bonds.
- (p) [RESERVED]
- (q) The "Scheduled Completion Date" for the 2011A Bonds Project is twelve (12) months from the date of delivery of the Bonds March 1, 2012.
- (r) There will be no Credit Facility with respect to the 2011A Bonds.

(s) The Loan Agreement, in substantially the form attached hereto as Exhibit B, is hereby approved, and the Executive Officers are authorized to execute and deliver the aforesaid documents on behalf of the Issuer, with such changes as may be deemed necessary, upon the advice of counsel, in connection with the 2011A Bonds. The Executive Officers are further authorized to execute and delivery any supplemental loan agreement or cooperative endeavor agreement as may be necessary in connection with any additional subsidization that may be offered by the Department pursuant to ARRA.

SECTION 3. Davis-Bacon Wage Rate Requirements. The Issuer agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the Project that is funded in whole or in part with the 2011A Bonds shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Issuer as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Issuer will ensure that all construction contracts relating to the portion of the Project that is funded in whole or in part with the 2011A Bonds will require that the contractor comply with the aforesaid wage and reporting requirements. This section shall not apply to "force account" work where the Issuer may perform construction work using its own employees rather than any contractor or subcontractor.

SECTION 4. Parties Interested Herein. Nothing in this Second Supplemental Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent and the Owners of the 2011A Bonds any right, remedy or claim under or by reason of this Second Supplemental Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Second Supplemental Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent and the Owners of the 2011A Bonds.

SECTION 5. No Recourse on the Bonds. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Second Supplemental Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds.

SECTION 6. Successors and Assigns. Whenever in this Second Supplemental Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Second Supplemental Ordinance contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

SECTION 7. Severability. In case any one or more of the provisions of this Second Supplemental Ordinance or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Second Supplemental Ordinance or of the Bonds, but this Second Supplemental Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Second Supplemental Ordinance which validates or makes legal any provision of this Second Supplemental Ordinance or the Bonds which would not otherwise be valid or legal shall be deemed to apply to this Second Supplemental Ordinance and to the Bonds.

SECTION 8. Publication; Preemption. This Second Supplemental Ordinance shall be published one time in the official journal of the Issuer, or if there is none, in a newspaper having general circulation in the Issuer. It shall not be necessary to publish the exhibits to this Second Supplemental Ordinance but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty days after the date of such publication any persons in interest may contest the legality of this Second Supplemental Ordinance and any provisions herein made for the security and payment of the 2011A Bonds. After such thirty day period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Second Supplemental Ordinance and the provisions hereof or of the 2011A Bonds authorized hereby for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the 2011A Bonds authorized pursuant to this Second Supplemental Ordinance within the thirty days herein prescribed, the authority to issue the Bonds or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Second Supplemental Ordinance and such 2011A Bonds shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 9. Effective Date. This Second Supplemental Ordinance shall become effective immediately. This Second Supplemental Bond Ordinance having been submitted to a vote, the vote thereon was as follows:

Roll Call Vote:

Yeas: Ashby, Jones, Lee, Prewett, and Whittington.

Nays: None

Absent: None

Abstain: None

And the Ordinance 1 of 2011 was declared adopted, on this, 8<sup>th</sup> day of March, 2011.

EXHIBIT A  
to Second Supplemental Bond Ordinance

[FORM OF BOND]  
UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF CADDO

WATER REVENUE BOND, SERIES 2011A OF THE  
TOWN OF BLANCHARD, STATE OF LOUISIANA

<u>Bond Number</u>	<u>Bond Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
AR-1	_____, 2011	2.95%	\$6,535,200

FOR VALUE RECEIVED, the Town of Blanchard, State of Louisiana (the "Issuer"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: Department of Health & Hospitals (the "Department")  
Office of Management & Finance  
ATTN: Cash Management  
P. O. Box 61979  
New Orleans, LA 70161-1979

or registered assigns noted on the registration record attached hereto, but solely from the revenues hereinafter specified, the Principal Amount set forth above (unless a lower Principal Amount applies, as set forth below), together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, unless this Bond shall have been previously called for prepayment and payment shall have been duly made or provided for.

This Bond shall bear interest, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2011 (each, an "Interest Payment Date"), at the Interest Rate shown above, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds on any Interest Payment Date shall be payable only on the aggregate amount of the purchase price which shall have been paid theretofore, as noted on Schedule A hereto, and shall accrue with respect to each purchase price installment only from the date of payment of such installment.

If the Louisiana Department of Health and Hospitals (the "Department"), is the registered owner of this Bond, the Issuer will additionally pay an Administrative Fee to the Department at the annual rate of one-half of one percent (0.5%) on the outstanding principal amount of the Bond, payable on each Interest Payment Date. In the event (i) the Department owns this Bond or the Department has pledged or assigned this Bond in connection with its Drinking Water Revolving Loan Fund Program and (ii) the Administrative Fee payable to the Department is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, then the "Annual Interest Rate" shown in the foregoing table and borne by this Bond shall be increased by one-half of one percent (0.5%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability.

This Bond shall mature in twenty (20) installments of principal, payable annually on each March 1, and each annual installment shall be the applicable percentage shown in the following table, rounded to the nearest \$1,000, of the outstanding principal amount of Bonds on the day before the applicable Principal Payment Date:

<u>Date (March 1)</u>	<u>Percentage of Principal</u>	<u>Date (March 1)</u>	<u>Percentage of Principal</u>
2012	3.741%	2022	8.743%
2013	4.001	2023	9.863

2014	4.290	2024	11.266
2015	4.615	2025	13.070
2016	4.981	2026	15.479
2017	5.396	2027	18.854
2018	5.872	2028	23.921
2019	6.423	2029	32.369
2020	7.066	2030	49.273
2021	7.828	2031	100.000

In the event that the Completion Date of the Project being financed with the 2011A Bonds is after March 1, 2012, the principal payment schedule set forth above may be adjusted so that each payment shall be due on the March 1 that is one year later than shown above, provided that in no event shall the final principal payment be more than twenty-two (22) years from the Delivery Date.

The principal and interest on this Bond shall be payable by check mailed to the registered owner of this Bond (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent (hereinafter defined) for such purpose, provided that payment of the final installment of principal on this Bond shall be made only upon presentation and surrender of this Bond to the Paying Agent.

The principal installments of this Bond are subject to prepayment at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest and accrued Administrative Fee, if any, to the prepayment date. In such case, the remaining principal shall continue to mature in annual installments calculated using the percentages shown above.

In the event a portion of this Bond is to be prepaid, this Bond shall be surrendered to the Clerk of the Issuer, as initial Paying Agent for the Bonds (the "Paying Agent"), who shall note the amount of such prepayment in the space provided therefor on Schedule B to this Bond. Official notice of such call of this Bond for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the registered owner of this Bond to be prepaid at his address as shown on the registration books of the Paying Agent, which notice may be waived by any registered owner. The Issuer shall cause to be kept at the office of the Paying Agent a register in which registration of this Bond and of transfers of the Bonds shall be made as provided herein and in the Ordinance. This Bond may be transferred, registered and assigned only on such registration records of the Paying Agent, and such registration shall be at the expense of the Issuer.

This Bond represents the entire issue of bonds of the Issuer designated "Water Revenue Bonds, Series 2011A" aggregating in principal the sum of Six Million Five Hundred Thirty-Five Thousand Two Hundred Dollars (\$6,535,200) (the "Bonds"), the Bonds having been issued by the Issuer pursuant to a General Bond Ordinance adopted by its governing authority on November 24, 2009, and a Second Supplemental Bond Ordinance adopted by its governing authority on March 8, 2011 (collectively, the "Ordinance"), for the purpose of paying Costs of the Project, as defined in the Ordinance, consisting generally of acquisitions and improvements to the Issuer's water system (defined in the Ordinance and hereinafter referred to as the "System"), and paying costs of issuance, under the authority conferred by Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1011, *et seq.*), and other constitutional and statutory authority, pursuant to all requirements therein specified.

The Bonds, equally with the Issuer's (i) Water Revenue Refunding Bonds, Series 2000, (ii) Water Revenue Refunding Bonds, Series 2005, (iii) Water Revenue Bonds, Series 2010A, (iv) Water Revenue Bonds, Series 2010B, and (v) authorized but not yet issued Water Revenue Bonds, Series 2011B, are payable as to both principal and interest solely by a pledge of the revenues of the Issuer's water system, as more fully described in the Ordinance (the "System"), after there have been deducted therefrom the reasonable and necessary expenses of operating and maintaining the System (the "Net Revenues"). The Bonds constitute a borrowing solely upon the credit of said revenues of the System and do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. Subject to the foregoing, the Net Revenues are irrevocably and irrepealably pledged in an amount sufficient for the payment of this Bond and the issue of which it forms a part in principal and interest as they shall respectively become due and payable, and for the other purposes set forth in the Ordinance. The Net Revenues shall be set aside in the funds and accounts described in the Ordinance and shall be and remain so pledged for the security and payment of the Bonds in principal and interest, and for all other payments provided in the Ordinance, until the Bonds shall be fully paid and discharged.

Subject to the additional provisions set forth in the Ordinance, the governing authority of the Issuer has covenanted and agreed and does hereby covenant and agree to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities furnished by the System, as shall be sufficient to provide for the payment of all reasonable and necessary expenses of operation and maintenance of the System, to provide for the payment of interest on and principal of all bonds or other obligations payable therefrom as and when the same shall become due and payable, for the creation of a reserves therefor, and for the provision of a reserve to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. For a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that the Bonds are authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Bonds necessary to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including the Bonds, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that the Bonds shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or facsimile signatures of its Mayor and Clerk, and to be dated the date of delivery hereof and the Issuer's corporate seal to be impressed or imprinted hereon.

TOWN OF BLANCHARD, STATE OF LOUISIANA

REGISTRATION RECORD WATER REVENUE BOND, SERIES 2011A OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA		
Name and Address Of Registered Owner	Date of Registration	Signature of Paying Agent
Department of Health & Hospitals Office of Management & Finance Attn: Cash Management P.O. Box 61979 New Orleans, LA 70161-1979		

SCHEDULE A SCHEDULE OF PURCHASE PRICE PAYMENTS WATER REVENUE BOND, SERIES 2011A OF THE TOWN OF BLANCHARD, STATE OF , LOUISIANA				
No.	Date of Payment	Amount of Payment	Pursuant to Requisition No.	Cumulative Outstanding Principal Amount
1				
2				

SCHEDULE B SCHEDULE OF PRINCIPAL PREPAYMENTS WATER REVENUE BOND, SERIES 2011A OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA		
Prepayment Date	Prepayment Amount	Remaining Balance Due


EXHIBIT B  
to Second Supplemental Bond Ordinance

FORM OF LOAN AND PLEDGE AGREEMENT

EXHIBIT C  
to Second Supplemental Bond Resolution

[FORM OF PARITY CERTIFICATION]  
\$6,535,200 WATER REVENUE BONDS, SERIES 2011A  
OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA

Pursuant to the parity provisions of the ordinances adopted on December 12, 2000 and May 12, 2005, and of the General Bond Ordinance adopted on November 24, 2009, respectively, by the governing authority of the Town of Blanchard, State of Louisiana (the "Town"), the undersigned independent certified public accountant, consulting engineer and Mayor of the Town do hereby certify as follows in connection with the issuance and delivery of the above-captioned issue of Water Revenue Bonds, Series 2011A (the "Bonds"):

1. Capitalized terms used in this certification shall have the meanings assigned thereto in the aforesaid ordinances adopted on December 12, 2000, May 12, 2005, and November 24, 2009, respectively (the "Parity Bond Ordinances"), which authorized the issuance of the Town's (i) Water Revenue Refunding Bonds, 2000, (ii) Water Revenue Refunding Bonds, Series 2005 and (iii) Water Revenue Bonds, Series 2010A and 2010B (collectively, the "Outstanding Parity Bonds")
2. The undersigned independent certified public accountant or firm of certified public accountant has previously audited the books, records and accounts of the Town for the fiscal year ended June 30, 2010.
3. The Average Net Revenues of the System for the two (2) completed fiscal years immediately preceding the issuance of the Bonds (i.e. the fiscal years ending June 30, 2009 and 2010), adjusted to reflect any rate increases currently adopted and in effect on this date determined *pro forma* as though such rate increase had been in continuous effect during such period, are equal to a least 1.25 times highest combined principal and interest requirements for any succeeding Bond Year (ending January 1) on the Outstanding Parity Bonds and the Bonds, as demonstrated by a calculation made by the undersigned certified public accountant.
4. There are no delinquencies in the payments required to be made into the various funds provided in the Parity Bond Ordinances, and all such funds are fully funded to the required levels at this time.
5. No event of default under the Parity Bond Ordinances has occurred or is continuing.

Public Hearing on Ordinance 2 of 2011(3rd Supplemental Bond Ord.)

The public hearing was opened at 7:25. There being no discussion, the public hearing was closed at 7:26.

Vote on Ordinance 2 of 2011

The following ordinance, having been previously introduced on January 11, 2011, Notice of Introduction having been published on January 21, 2011, and a public hearing held thereon on March 8, 2011, was offered for final adoption by Lee, and Seconded by Prewett.

THIRD SUPPLEMENTAL BOND ORDINANCE 2 of 2011

A supplemental Bond Ordinance authorizing the issuance of not exceeding \$4,930,000 of Water Revenue Bonds, Series 2011B, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; authorizing the issuance of a Bond Anticipation Note in connection with said bonds; and providing for other matters in connection therewith.

WHEREAS, the Town of Blanchard, State of Louisiana (the "Issuer") now owns and operates a waterworks plant and system as a revenue-producing public utility (the "System"); and WHEREAS, the Issuer currently has the following obligations payable from a pledge and dedication of the income and revenues of the System:

(i) \$1,800,000 Town of Blanchard, State of Louisiana Water Revenue Refunding Bonds Series 2000 (the "Series 2000 Bonds");

(ii) \$3,920,000 Town of Blanchard, State of Louisiana Water Revenue Refunding Bonds, Series 2005 (the "Series 2005 Bonds");

(iii) \$1,000,000 Town of Blanchard, State of Louisiana Water Revenue Bonds, Series 2010A (the "Series 2010A Bonds"), which are issued as drawdown bonds and entitled to 100% principal forgiveness;

(iv) \$2,657,000 Town of Blanchard, State of Louisiana Water Revenue Bonds, Series 2010B (the "Series 2010B Bonds"), which are issued as drawdown bonds; and

(v) \$6,535,200 Town of Blanchard, State of Louisiana Water Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), which are issued as drawdown bonds; and

WHEREAS, Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950 grants authority to political subdivisions to borrow from any governmental agency of the United States for any purpose for which any loan to any subdivision is authorized by an act of Congress now in existence, and it is the desire of this Mayor and Board of Aldermen to provide for the issuance of revenue bonds of the Issuer, for the purpose of providing additions and improvements to the System, and paying the costs of issuance thereof; and

WHEREAS, on November 24, 2009, this Mayor and Board of Aldermen (the "Governing Authority") adopted a General Bond Ordinance entitled: "A General Bond Ordinance authorizing the issuance from time to time of Water Revenue Bonds of the Town of Blanchard, State of Louisiana; prescribing the form, and certain terms and conditions of said Bonds; providing for the payment thereof in principal and interest; and providing for other matters in connection therewith" (the "General Bond Ordinance"), which authorizes the issuance of bonds from time to time for the aforesaid purposes; and

WHEREAS, on January 12, 2010, this Governing Authority also adopted a First Supplemental Bond Ordinance entitled "A supplemental Bond Ordinance authorizing the issuance of not exceeding \$3,657,000 of Water Revenue Bonds, Series 2010, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; designating said Bonds as Build America Bonds pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended; and providing for other matters in connection therewith" (the "Second Supplemental Ordinance"), which authorized the issuance of the Series 2010A Bonds and the Series 2010B Bonds; and

WHEREAS, on this date, this Governing Authority also adopted a Second Supplemental Bond Ordinance entitled "A supplemental Bond Ordinance authorizing the issuance of not exceeding \$6,535,200 of Water Revenue Bonds, Series 2011A, of the Town of Blanchard, Louisiana, in accordance with the terms of a General Bond Ordinance adopted on November 24, 2009; prescribing the form, and certain terms and conditions of said Bonds; and providing for other matters in connection therewith" (the "First Supplemental Ordinance"), which authorized the issuance of the aforesaid 2011A Bonds

WHEREAS, Consolidated Farmers Home Administration Act of 1961 provides that the United States of America, acting through Rural Development (the "Government") may make loans to political subdivisions when such subdivisions are unable to obtain other credit to meet their needs within reasonable rates and terms; and

WHEREAS, the Issuer is not able to sell its bonds in the private market at reasonable rates and terms and now desires to exercise its option to sell the bonds authorized herein to the Government pursuant to the terms of a letter of conditions issued by the Government; and

WHEREAS, it is now the desire of this Governing Authority to authorize the issuance of not exceeding \$4,930,000 of Water Revenue Bonds, Series 2011B of the Issuer, for the purpose of paying the costs of constructing and acquiring acquisitions, improvements, extensions and replacements to the System as further set forth in Exhibit B hereto and paying costs of issuance ("Costs of the Project");

WHEREAS, the Issuer also wishes to provide for interim financing for the portion of the Project being financed with the Series 2011B Bonds, and to effect the same through the issuance of its bond anticipation notes under the authority of Chapter 14-B of Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Note"), and to sell the same to the State Loan Fund (hereinafter defined); and

WHEREAS, it is the intention of the Issuer that the bond anticipation Note, if issued, shall be payable from the proceeds of not more than an equivalent amount of the 2011B bonds to be authorized and issued by

the Issuer pursuant to Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:821 *et seq.*); and

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Board of Aldermen of the Town of Blanchard, State of Louisiana, acting as the governing authority of Town of Blanchard, State of Louisiana, that:

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

*"Administrative Fee"* means, with respect to the Note purchased by the Department from the State Loan Fund, the annual fee equal to one-half of one percent (0.50%) per annum of the outstanding principal amount of such Note, or such lesser amount as the Department may approve from time to time, which shall be payable each interest payment date of the Note.

*"Code"* means the Internal Revenue Code of 1986, as the same may be amended and supplemented from time to time, including any regulations promulgated thereunder or any administrative or judicial interpretations thereof.

*"Department"* means the Louisiana Department of Health and Hospitals, an executive department and agency of the State, and any successor to the duties and functions thereof with respect to the State Loan Fund.

*"Loan Agreement"* means the Loan and Pledge Agreement to be entered into by and between the Department and the Issuer, prior to the delivery of the Note, which will contain certain additional agreements relating to the Note and any other series of Bonds purchased by the Department from the State Loan Fund, which Loan Agreement shall be in substantially the form attached hereto as Exhibit B, as it may be supplemented, modified or amended from time to time in accordance with the terms thereof.

*"Note"* shall mean any bond anticipation Note issued pursuant to this ordinance and Chapter 14-B, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1460.1, *et seq.*), to provide interim financing for the Project in anticipation of the issuance of the 2011B Bonds.

*"Paying Agent"* with respect to the 2011B Bonds means the Clerk of the Issuer, unless and until a successor Paying Agent shall have assumed such responsibilities pursuant to the General Bond Ordinance.

*"Reimbursement Expenditures"* means Costs of the Project made prior to the date of delivery of the Note or the Series 2011B Bonds, but not more than sixty days prior to May 12, 2009, which was the date of adoption of an "official intent" Ordinance pursuant to Section 1.150-2 of the United States Treasury Regulations under Section 150 of the Code.

*"State Loan Fund"* means the Drinking Water Revolving Loan Fund established by the State of Louisiana, pursuant to Chapter 32 of Title 40 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 30:2821, *et seq.*) in the custody of the Department, which is to be used for the purpose of providing financial assistance for the improvement of public drinking water systems in the State, as more fully described in La. R.S. 30:2825(A)(2).

*"2011B Bonds"* means the Issuer's Water Revenue Bonds, Series 2011B authorized to be issued by this Third Supplemental Ordinance and particularly by Section 2 hereof.

*"Third Supplemental Ordinance"* means this ordinance authorizing the issuance of the 2011B Bonds and the Note.

## SECTION 2. Authorization of 2011B Bonds.

(a) In compliance with and under the authority of Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority (La. R.S. 39:821, *et seq.*), there is hereby authorized the incurring of an indebtedness of not exceeding Four Million Nine Hundred Thirty Thousand Dollars (\$4,930,000) for, on behalf of and in the name of the Issuer, for the purpose of paying the costs of constructing and acquiring improvements, extensions and replacements to the System and paying costs of issuance, and to represent the indebtedness, this Governing Authority does hereby authorize the issuance of up to Four Million Nine Hundred Thirty Thousand Dollars (\$4,930,000) of Water Revenue Bonds, Series 2011B, of the Issuer. The Series 2011B Bonds shall be dated the Delivery Date thereof, and the exact principal amount of the Series 2011B bonds, not to exceed \$4,930,000 as stated above, shall be determined by the Executive Officers at the time of delivery of the 2011B Bonds. The 2011B Bonds shall be issued to finance Costs of the Project. In the event that the Delivery Date of the 2011B Bonds is after the end of the year 2011, then they may be designated as Series 2012, Series 2012A or such other designation as may be determined by the Executive Officers

(however, regardless of their designation, they are referred to in this Third Supplemental Bond Ordinance as the 2011B Bonds).

(b) The 2011B Bonds shall be issued in the form of a single fully registered bond of the Issuer, which shall be dated as of the date of delivery thereof in the denomination and principal amount of not to exceed Four Million Nine Hundred Thirty Thousand Dollars (\$4,930,000), numbered BR-1 (or as may be determined by the Executive Officers on the Delivery Date). The 2011B Bonds will be Fixed Rate Bonds and the unpaid principal of the 2011B Bonds shall bear interest at a rate of not to exceed 5.00% per annum from date thereof until paid (or, with the consent of the Government, the 2011B Bonds shall bear such lower rate of interest which the Government may have in effect for community program loans at the time of delivery of the 2011B Bonds to the Government).

(c) [RESERVED]

(d) The principal of and interest on the 2011B Bonds shall be payable over a forty (40) year period, beginning with a payment of all accrued interest on the first anniversary date of the issuance of the 2011B Bonds and continuing monthly thereafter over the life of the Bonds with monthly payments of principal and interest. Payments shall be in such amounts and shall be made on such dates as determined by the Government with fully amortized payments of principal and interest. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal.

(e) The principal and interest on the 2011B Bonds shall be payable by check mailed to the registered owner of the 2011B Bonds (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent for such purpose, provided that payment of the final installment of principal on the 2011B Bonds shall be made only upon presentation and surrender of the 2011B Bonds to the Paying Agent.

(f) The principal installments of the 2011B Bonds are subject to prepayment in inverse order of maturity at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest to the prepayment date.

(g) The 2011B Bonds shall be issued in the form of a single fully registered bond, initially numbered BR-1 and shall be in substantially the form attached hereto as Exhibit A.

(h) The Clerk of the Issuer shall be the initial Paying Agent for the 2011B Bonds.

(i) The 2011B Bonds are hereby awarded to and sold to the Government at a price of par plus accrued interest, if any, and after their execution and authentication by the Paying Agent, the 2011B Bonds shall be delivered to the Government or its agents or assigns, upon receipt by the Issuer of the agreed purchase price. Pursuant to the Act and La. R.S. 39:1426(B), the Issuer has determined to sell the 2011B Bonds at a private sale without the necessity of publishing any notice of sale.

(j) No proceeds of the 2011B Bonds shall be deposited into the Reserve Fund, however upon the delivery of the 2011B Bonds the Issuer shall establish the "Series 2011B Account" in the Reserve Fund and shall cause the Reserve Fund Requirement to be deposited to said account in monthly installments of 10% of the monthly payment up to the Reserve Fund Requirement. No changes are required at this time with respect to the Contingencies Fund established in the General Bond Ordinance.

(k) The Issuer also agrees to fund an Operation and Maintenance Reserve Fund (the "O&M Fund") from the current level of funding up to a maximum \$424,860.00. No proceeds of the Series 2011 Bonds are used for initial funding of the O&M Fund. The Issuer agrees to deposit a minimum of \$662.00 per month until the maximum level of funding is achieved.

(l) No proceeds of the 2011B Bonds will be used to refund any outstanding obligations.

(m) This Governing Authority finds and determines that the parity requirements of Section 6.01 of the General Bond Ordinance have been satisfied. Furthermore, the Issuer will comply with the parity requirements outlined in the Series 2000 Ordinance and the Series 2005 Ordinance (as defined in the General Bond Ordinance) and will furnish at or prior to delivery of the Series 2011B Bonds a parity certification in substantially the form attached hereto as Exhibit C.

(n) The Executive Officers are each hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out all of the provisions of the General Bond Ordinance and this Third Supplemental Ordinance, and to cause the 2011B Bonds (and the Note authorized in Section 0 below) to be prepared and/or printed, to issue, execute and seal the 2011B Bonds and to effect delivery thereof as hereinafter provided. In connection with the issuance and sale of the 2011B Bonds (and the Note authorized in Section 0 below), the Executive Officers and the chief financial officer of the Issuer are each authorized, empowered and directed to execute on behalf of the Issuer such additional documents, certificates and instruments as they may deem necessary, upon the advice of bond counsel, to effect the

transactions contemplated by this Ordinance. The signatures of said on such documents, certificates and instruments shall be conclusive evidence of the due exercise of the authority granted hereunder.

(o) In the event that the Delivery Date of the 2011B Bonds is in 2011, then they shall not be "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code (because the anticipated amount of such obligations to be issued in 2011 exceeds \$10,000,000). In the event that the Delivery Date of the 2011B Bonds is in 2012, they shall be issued as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this determination, the Issuer represents that (a) the 2011B Bonds are not "private activity bonds" within the meaning of the Code; and (b) the reasonably anticipated amount of qualified tax exempt obligations which will be issued by the Issuer and all subordinate entities in calendar year 2012 will not exceed \$10,000,000.

(p) It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in the Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because (i) the 2011B Bonds are not being purchased by a broker, dealer or municipal securities dealer acting as an underwriter in a primary offering of municipal securities, and (ii) the 2011B Bonds are being sold to only one financial institution (i.e., no more than thirty-five persons), which has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the prospective investment in the 2011B Bonds and is not purchasing the 2011B Bonds for more than one account or with a view to distributing the Bonds.

(q) [RESERVED]

(r) The "Scheduled Completion Date" for the 2011B Bonds Project is March 1, 2012.

(s) There will be no Credit Facility with respect to the 2011B Bonds.

(t) [RESERVED]

**SECTION 3. Authorization of Bond Anticipation Note.** It is hereby acknowledged and recognized that the obtaining of interim financing ("Interim Financing") for the Project is a prerequisite to obtaining permanent financing for the Project through the delivery of the Series 2011B Bonds to the Government. Subject to the approval of the State Bond Commission and pursuant to Chapter 14-B of Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:1460.1, *et seq.*), and other constitutional and statutory authority, the Issuer hereby authorizes that the interim financing be obtained through a loan which the Issuer will receive from the Department through the State Loan Fund. To that end, this Governing Authority hereby approves and authorizes the issuance and sale of a Bond Anticipation Note of the Issuer (the "Note") to the Department, with the Note to bear interest at the rate of two and ninety-five hundredths percent (2.95%) per annum, said interest to be calculated on the basis of a 360-day year consisting of twelve 30-day months and payable semi-annually on each March 1 and September 1, and upon the discharge of the Note, or such lower rate as may be in effect for loans from the State Loan Fund at the time of delivery of the Note. In addition to interest at the rate set forth above, at any time that the Department owns the Note the Issuer will pay the Administrative Fee to the Department on each interest payment date for the Note. In the event (i) the Department owns any of the Note or the Department has pledged or assigned any of the Note in connection with its Drinking Water Revolving Loan Fund and (ii) the Administrative Fee payable by the Issuer to the Department is declared illegal or unenforceable by a court or an administrative body of competent jurisdiction, the interest rate borne by the Note shall be increased by one-half of one percent (0.50%) per annum, effective as of the date declared to be the date from which the Administrative Fee is no longer owed because of such illegality or unenforceability. The Note shall be in the denomination and principal amount of up to the authorized amount of the 2011B Bonds (said principal amount may be advanced to the Issuer on an "as needed" basis), shall mature not later than two (2) years from date thereof, and shall be in substantially the form attached as Exhibit C hereto.

The Note shall constitute a limited and special obligation of the Issuer payable in principal and interest from the proceeds to be derived from the sale and issuance of the 2011B Bonds or from the income and revenues derived or to be derived from the operation of the System, after provision has been made for the payment therefrom of the costs of operating and maintaining the System and from any other legally available funds of the Issuer. The Note may also be paid in principal and interest from the proceeds of any subsequent notes. The Note does not constitute a general obligation of the Issuer. Neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of the Note. The issuance of the Note shall not directly or indirectly or contingently obligate the Issuer to levy or to pledge any ad valorem taxes whatever therefor, and any owner of the Note shall have no recourse to the power of ad valorem taxation for payment of principal of and/or interest on the Note.

The Note shall be subject to prepayment at any time at the option of the Issuer at a price equal to the principal amount thereof advanced to the Issuer plus accrued interest to the date of prepayment.

The Note shall be sold to the Department at a price of par.

The Note shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer, and said officers are further empowered, authorized and directed to cause the Note to be printed or lithographed and to be properly executed, and to take any and all other action as may be necessary, upon the advice of bond counsel, in connection with the issuance, sale and delivery of the Note.

Upon surrender of any Note for payment or prepayment, the Note shall be promptly cancelled by the Issuer.

The Issuer covenants that it will deposit or cause to be deposited moneys derived from the issuance of the 2011B Bonds and/or from other funds available to the Issuer for such purpose, funds fully sufficient to pay promptly the principal and interest on the Note falling due on its due date.

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 Note under the Code. The Issuer further covenants and agrees that it will not take any action, fail to take any action, or permit any action within its control to be taken, or permit at any time or times any of the proceeds of the Note or any other funds of the Issuer to be used directly or indirectly in any manner, the effect of which would be to cause the Note to be an "arbitrage bond" or would result in the inclusion of the interest on the Note in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Note proceeds or (ii) the failure to pay any required rebate or arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Note in a manner which would cause the Note to be "private activity bonds".

SECTION 4. Davis-Bacon Wage Rate Requirements. The Issuer agrees that all laborers and mechanics employed by contractors and subcontractors on the portion of the Project that is funded in whole or in part with the Note shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality of the Issuer as determined by the Secretary of the United States Department of Labor ("DOL") in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. DOL provides all pertinent information related to compliance with the foregoing requirements, including prevailing wage rates and instructions for reporting. The Issuer will ensure that all construction contracts relating to the portion of the Project that is funded in whole or in part with the Note will require that the contractor comply with the aforesaid wage and reporting requirements. This section shall not apply to "force account" work where the Issuer may perform construction work using its own employees rather than any contractor or subcontractor.

SECTION 5. Parties Interested Herein. Nothing in this Third Supplemental Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Issuer, the Paying Agent and the Owners of the 2011B Bonds and the Note any right, remedy or claim under or by reason of this Third Supplemental Ordinance or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Third Supplemental Ordinance contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Paying Agent and the Owners of the 2011B Bonds and the Note.

SECTION 6. No Recourse on the Bonds or Note. No recourse shall be had for the payment of the principal of or interest on the Bonds or the Note or for any claim based thereon or on this Third Supplemental Ordinance against any member of the Governing Authority or officer of the Issuer or any person executing the Bonds or the Note.

SECTION 7. Successors and Assigns. Whenever in this Third Supplemental Ordinance the Issuer is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Third Supplemental Ordinance contained by or on behalf of the Issuer shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

SECTION 8. Severability. In case any one or more of the provisions of this Third Supplemental Ordinance or of the Bonds or the Note issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Third Supplemental Ordinance, the Bonds or the Note, but this Third Supplemental Ordinance and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date of this Third Supplemental Ordinance which validates or makes legal any provision of this Third Supplemental Ordinance, the Bonds or the Note

which would not otherwise be valid or legal shall be deemed to apply to this Third Supplemental Ordinance, the Bonds and the Note.

SECTION 9. Publication; Peremption. This Third Supplemental Ordinance shall be published one time in the official journal of the Issuer, or if there is none, in a newspaper having general circulation in the Issuer. It shall not be necessary to publish the exhibits to this Third Supplemental Ordinance but such exhibits shall be made available for public inspection at the offices of the Governing Authority at reasonable times and such fact must be stated in the publication within the official journal. For a period of thirty days after the date of such publication any persons in interest may contest the legality of this Third Supplemental Ordinance and any provisions herein made for the security and payment of the 2011B Bonds and the Note. After such thirty day period no one shall have any cause or right of action to contest the regularity, formality, legality, or effectiveness of this Third Supplemental Ordinance and the provisions hereof or of the 2011B Bonds or the Note authorized hereby for any cause whatsoever. If no suit, action, or proceeding is begun contesting the validity of the 2011B Bonds or the Note authorized pursuant to this Third Supplemental Ordinance within the thirty days herein prescribed, the authority to issue the Bonds and the Note or to provide for the payment thereof, and the legality thereof, and all of the provisions of this Third Supplemental Ordinance and such 2011B Bonds and the Note shall be conclusively presumed, and no court shall have authority or jurisdiction to inquire into any such matter.

SECTION 10. Effective Date. This Third Supplemental Ordinance shall become effective immediately. This Third Supplemental Bond Ordinance having been submitted to a vote, the vote thereon was as follows:

Roll Call Vote:

Yeas: Ashby, Jones, Lee, Prewett, and Whittington.

Nays: None

Absent: None

Abstain: None

And the Ordinance 2 of 2011 was declared adopted, on this, 8<sup>th</sup> day of March, 2011.

EXHIBIT A  
to Third Supplemental Bond Ordinance

[FORM OF BOND]  
UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF CADDO  
WATER REVENUE BOND, SERIES 2011B  
OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA

<u>Bond Number</u>	<u>Bond Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
BR-1	_____, 2011	_____%	\$4,930,000

FOR VALUE RECEIVED, the Town of Blanchard, State of Louisiana (the "Issuer"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: United States of America, through the  
U.S. Department of Agriculture, Rural Development  
3727 Government St.  
Alexandria, Louisiana 71302

or registered assigns, the Principal Amount set forth above, together with interest thereon from the Bond Date set forth above or the most recent interest payment date to which interest has been paid or duly provided for, at the Interest Rate set forth above. The principal and interest of this bond shall be payable over a forty (40) year period as follows:

(i) a single payment consisting of one-year's interest only, due on \_\_\_\_\_, 20\_\_\_, followed by  
(ii) four hundred sixty-eight (468) fully amortized monthly payments of principal and interest in the amount of \$\_\_\_\_\_ each, payable monthly on \_\_\_\_\_, 20\_\_\_ and continuing monthly on the \_\_\_ day of each month thereafter through and including \_\_\_\_\_, 20\_\_\_,

unless the principal amount hereof is prepaid in whole or in part in accordance with the terms set forth herein and in the hereinafter defined Bond Ordinance. Each payment shall be applied, first, to the payment of accrued interest and, second, to the payment of principal. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Ordinance (hereinafter defined).

The principal and interest on this Bond shall be payable by check mailed to the registered owner of this Bond (determined as of the Interest Payment Date) at the address shown on the registration books kept by the Paying Agent (hereinafter defined) for such purpose, provided that payment of the final installment of principal on this Bond shall be made only upon presentation and surrender of this Bond to the Paying Agent.

The principal installments of this Bond are subject to prepayment in inverse order of maturity at the option of the Issuer at any time, in whole or in part, at a prepayment price of par plus accrued interest to the prepayment date.

In the event a portion of this Bond is to be prepaid, this Bond shall be surrendered to the Clerk of the Issuer, as initial Paying Agent for the Bonds (the "Paying Agent"), who shall note the amount of such prepayment in the space provided therefor on Schedule B to this Bond. Official notice of such call of this Bond for prepayment shall be given by means of first class mail, postage prepaid by notice deposited in the United States Mail not less than thirty (30) days prior to the prepayment date addressed to the registered owner of this Bond to be prepaid at his address as shown on the registration books of the Paying Agent, which notice may be waived by any registered owner. The Issuer shall cause to be kept at the office of the Paying Agent a register in which registration of this Bond and of transfers of the Bonds shall be made as provided herein and in the Ordinance. This Bond may be transferred, registered and assigned only on such registration records of the Paying Agent, and such registration shall be at the expense of the Issuer.

This Bond represents the entire issue of bonds of the Issuer designated "Water Revenue Bonds, Series 2011B" aggregating in principal the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) (the "Bonds"), the Bonds having been issued by the Issuer pursuant to a General Bond Ordinance adopted by its governing authority on November 24, 2009, and a Third Supplemental Bond Ordinance adopted by its governing authority on March 8, 2011 (collectively, the "Ordinance"), for the purpose of (i) paying Costs of the Project, as defined in the Ordinance, consisting generally of acquisitions and improvements to the Issuer's water system (defined in the Ordinance and hereinafter referred to as the "System"), (ii) paying the cost of issuance, and (iii) paying a Bond Anticipation Note of the Issuer, dated \_\_\_\_\_, 2011, which was issued by the Issuer to provide interim financing for the Project, under the authority conferred by Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39:821, *et seq.*), and other constitutional and statutory authority, pursuant to all requirements therein specified.

The Bonds, equally with the Issuer's (i) Water Revenue Refunding Bonds, Series 2000, (ii) Water Revenue Refunding Bonds, Series 2005, (iii) Water Revenue Bonds, Series 2010A, (iv) Water Revenue Bonds, Series 2010B and (v) Water Revenue Bonds, Series 2011A, are payable as to both principal and interest solely by a pledge of the revenues of the Issuer's water system, as more fully described in the Ordinance (the "System"), after there have been deducted therefrom the reasonable and necessary expenses of operating and maintaining the System (the "Net Revenues"). The Bonds constitute a borrowing solely upon the credit of said revenues of the System and do not constitute an indebtedness or pledge of the general credit of the Issuer within the meaning of any constitutional or statutory limitation of indebtedness. Subject to the foregoing, the Net Revenues are irrevocably and irrevocably pledged in an amount sufficient for the payment of this Bond and the issue of which it forms a part in principal and interest as they shall respectively become due and payable, and for the other purposes set forth in the Ordinance. The Net Revenues shall be set aside in the funds and accounts described in the Ordinance and shall be and remain so pledged for the security and payment of the Bonds in principal and interest, and for all other payments provided in the Ordinance, until the Bonds shall be fully paid and discharged. Subject to the additional provisions set forth in the Ordinance, the governing authority of the Issuer has covenanted and agreed and does hereby covenant and agree to fix, establish and maintain such rates and collect such fees, rents or other charges for the services and facilities furnished by the System, as shall be sufficient to provide for the payment of all reasonable and necessary expenses of operation and maintenance of the System, to provide for the payment of interest on and principal of all bonds or other obligations payable therefrom as and when the same shall become due and payable, for the creation of a reserves therefor, and for the provision of a reserve to care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System. For a more complete statement of the revenues from which and conditions under which this Bond is payable, and the general covenants and provisions pursuant to which this Bond is issued, reference is hereby made to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of registration hereon shall have been signed by the Paying Agent.

It is certified that the Bonds are authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana. It is further certified, recited and declared that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of the Bonds necessary to constitute the same legal, binding and valid obligations of the Issuer have existed, have happened and have been performed in due time, form and manner as required by law, and that the indebtedness of the Issuer, including the Bonds, does not exceed any limitation prescribed by the Constitution and statutes of the State of Louisiana, and that the Bonds shall not be invalid for any irregularity or defect in the proceedings for the issuance and sale thereof.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or facsimile signatures of its Mayor and Clerk, and to be dated the date of delivery hereof and the Issuer's corporate seal to be impressed or imprinted hereon.

TOWN OF BLANCHARD, STATE OF LOUISIANA

REGISTRATION RECORD WATER REVENUE BOND, SERIES 2011B OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA		
Name and Address Of Registered Owner	Date of Registration	Signature of Paying Agent
USDA-RD 3727 Government St. Alexandria, LA 71302		

SCHEDULE A SCHEDULE OF PURCHASE PRICE PAYMENTS WATER REVENUE BOND, SERIES 2011B OF THE TOWN OF BLANCHARD, STATE OF , LOUISIANA				
No.	Date of Payment	Amount of Payment	Pursuant to Requisition No.	Cumulative Outstanding Principal Amount
1				
2				

SCHEDULE B SCHEDULE OF PRINCIPAL PREPAYMENTS WATER REVENUE BOND, SERIES 2011B OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA		
Prepayment Date	Prepayment Amount	Remaining Balance Due

EXHIBIT B  
to Third Supplemental Bond Ordinance

FORM OF BOND ANTICIPATION NOTE

Number: R-1

Principal Amount: \$6,535,200

UNITED STATES OF AMERICA  
STATE OF LOUISIANA  
PARISH OF CADDO  
BOND ANTICIPATION NOTE  
OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA

<u>Date</u> <u>of Note</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>
_____, 2011	_____%	_____, 2013

FOR VALUE RECEIVED, the Town of Blanchard, State of Louisiana (the "Issuer"), hereby promises to pay (but only from the sources hereinafter described) to:

REGISTERED OWNER: Department of Health & Hospitals (the "Department")  
Office of Management & Finance  
ATTN: Cash Management  
P. O. Box 61979  
New Orleans, LA 70161-1979

solely from the sources hereinafter provided, on the Maturity Date set forth above, that portion of the Principal Amount set forth above actually advanced to the Issuer in installments of the purchase price as hereinafter provided, together with interest on the installments of said purchase price advanced to the Issuer from the respective dates of the receipt by the Issuer of said installments, payable on said Maturity Date, at the Interest Rate per annum set forth above, unless this Note shall have been previously called for prepayment and payment shall have been made or duly provided for. The principal of this Note, upon maturity or prepayment, together with the interest hereon, is payable in lawful money of the United States of America.

The purchase price of this Note shall be advanced by the purchaser to the Issuer in installments, and interest on this Note shall accrue only on the installments which shall have been advanced to the Issuer and from the respective dates of payment. The amount and date of advancement of each purchase price installment shall be noted on Schedule A attached hereto.

This Note represents the entire issue designated "Bond Anticipation Note of the Town of Blanchard, State of Louisiana " (the "Note"), and the Note is issued by the Issuer pursuant to an ordinance adopted by its governing authority on March 8, 2011 (the "Ordinance"), for the purposes set forth in the Ordinance, under the authority conferred by Chapter 14-B of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. This Note is subject to prepayment at any time at the option of the Issuer at a price equal to the principal amount hereof plus accrued interest to the date of prepayment.

This Note constitutes a limited and special obligation of the Issuer, the principal and interest of which is payable from the proceeds of unissued Water Revenue Bonds, Series 2011B of the Issuer (the "Revenue Bonds") authorized to be issued in the principal amount of \$6,535,200 by the Ordinance or from the income and revenues derived or to be derived from the operation of the Issuer's waterworks system, after provision has been made for payment therefrom of the reasonable and necessary expenses of operating and maintaining said system, and any other legally available funds of the Issuer. The Issuer has covenanted in the Ordinance to use its best efforts to issue the aforesaid Water Revenue Bonds, together with other available funds therefor, to pay the principal of this Note at the maturity thereof and has further covenanted in the Ordinance to budget a sufficient sum of money to pay the interest when due on the Note to the extent such interest is not paid from the proceeds of the Note.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or facsimile signatures of its Mayor and Clerk, and to be dated the date of delivery hereof and the Issuer's corporate seal to be impressed or imprinted hereon.

TOWN OF BLANCHARD, STATE OF LOUISIANA

SCHEDULE A  
SCHEDULE OF PURCHASE PRICE PAYMENTS  
BOND ANTICIPATION NOTE  
TOWN OF BLANCHARD, STATE OF LOUISIANA

No.	Date of Payment	Amount of Payment	Pursuant to Requisition No.	Cumulative Outstanding Principal Amount
1				
2				

EXHIBIT C

to Third Supplemental Bond Resolution

[FORM OF PARITY CERTIFICATION]

**\$6,535,200 WATER REVENUE BONDS, SERIES 2011B  
OF THE TOWN OF BLANCHARD, STATE OF LOUISIANA**

Pursuant to the parity provisions of the ordinances adopted on December 12, 2000 and May 12, 2005, and of the General Bond Ordinance adopted on November 24, 2009, respectively, by the governing authority of the Town of Blanchard, State of Louisiana (the "Town"), the undersigned independent certified public accountant, consulting engineer and Mayor of the Town do hereby certify as follows in connection with the issuance and delivery of the above-captioned issue of Water Revenue Bonds, Series 2011B (the "Bonds"):

1. Capitalized terms used in this certification shall have the meanings assigned thereto in the aforesaid ordinances adopted on December 12, 2000, May 12, 2005, and November 24, 2009, respectively (the "Parity Bond Ordinances"), which authorized the issuance of the Town's (i) Water Revenue Refunding Bonds, 2000, (ii) Water Revenue Refunding Bonds, Series 2005 and (iii) Water Revenue Bonds, Series 2010A and 2010B and (iv) Water Revenue Bonds, Series 2011A (collectively, the "Outstanding Parity Bonds")
2. The undersigned independent certified public accountant or firm of certified public accountant has previously audited the books, records and accounts of the Town for the fiscal year ended June 30, 2010.
3. The Average Net Revenues of the System for the two (2) completed fiscal years immediately preceding the issuance of the Bonds (i.e. the fiscal years ending June 30, 2009 and 2010), adjusted to reflect any rate increases currently adopted and in effect on this date determined *pro forma* as though such rate increase had been in continuous effect during such period, are equal to a least 1.25 times highest combined principal and interest requirements for any succeeding Bond Year (ending January 1) on the Outstanding Parity Bonds and the Bonds, as demonstrated by a calculation made by the undersigned certified public accountant.
4. There are no delinquencies in the payments required to be made into the various funds provided in the Parity Bond Ordinances, and all such funds are fully funded to the required levels at this time.
5. No event of default under the Parity Bond Ordinances has occurred or is continuing.

NEW BUSINESS

Poke Salad Parade Permit

Motion by Ashby, second by Jones to approve Poke Salad parade permit for May 14, 2011. All voted yea.

Retirement Plan Advisors—Edna Delphin

Ms. Edna Delphin of Retirement Plan Advisors presented 457 Deferred Compensation plan packets for employees.

Sam Stevens, Auditor (Progress Report-Independent Audit)

Mr. Sam Stevens, independent auditor, advised that he will assist in determining any improper use of Town Funds. He will gather evidence and facts to present to the Council, who will in turn make the final decision.

Setting fees for Public Record Requests Copies

Motion by Jones to adopt the following fees for copies of public records requested and all other copies subject to Town Attorney review. Second by Ashby. All voted yea.

\$0.50 for copies                      \$5.00 for CD/DVD

Refund to developers of Developmental Review Fees (from 2007)

Motion by Ashby to refund all Development Review Fees received from December 2007 to November 2010. The sum of \$1,840 to E & L Developers and the sum of \$1,297.50 to Steve Gross. Second by Jones. All voted yea.

Resolution 9 of 2011 (DEQ Settlement Offer)

RESOLUTION 9 of 2011

A RESOLUTION TO AUTHORIZE THE MAYOR TO EXECUTE A SETTLEMENT AGREEMENT WITH THE LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY AND OTHERWISE PROVIDING WITH RESPECT THERETO

BE IT RESOLVED that the Mayor of the Town of Blanchard ("Town") be and he hereby is authorized to execute a settlement agreement with the Louisiana Department of Environmental Quality (DEQ) , accepting the Town's offer to DEQ to resolve permit violations by the payment of a lump sum of TEN THOUSAND AND 00/100 (\$10,000),

BE IT FURTHER RESOLVED that any provision of this Resolution deemed unenforceable be and it hereby is determined to be severable.

BE IT FURTHER RESOLVED that any resolution in conflict with this Resolution be and it hereby is repealed.

Motion by Lee, second by Jones to accept Resolution 9 of 2011. All voted yea.  
And Resolution 9 of 2011 was adopted on this 8<sup>th</sup> day of March, 2011.

Resolution 8 of 2011 (Repayment of URAF Funds)

RESOLUTION 8 of 2011

A RESOLUTION A RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO UTILITY RELOCATION ASSISTANCE FUNDING (URAF) AGREEMENT

WHEREAS, the Town of Blanchard ("Town") is in the process of planning improvements to the Blanchard Public Water System ("System") whose PWS ID No. is LA1017006 (the "Project"), one aspect of which is acquiring permits to locate facilities within the rights of way of state owned highways; and,  
WHEREAS, in 1990, 1993 and 2001, due to the expansion of Louisiana State Highway 1 ("Highway 1"), the Town participated in the Louisiana Department of Transportation and Development's ("DOTD") Utility Relocation Assistance Funding ("URAF") program, which advanced funds to the Town for the relocation of its facilities located within the rights of way of Highway 1; and,  
WHEREAS, in conjunction with its participation in the URAF program, the Town executed three (3) Articles of Agreement with DOTD; and,  
WHEREAS the 1990 Articles of Agreement represent a \$71,499.85 debt, the 1993 Articles of Agreement represent a \$281,714.07 debt and the 2001 Articles of Agreement represent a \$153,492.57 debt; and,  
WHEREAS, under the provisions of the URAF program, the general issuance of permits to utilities seeking to locate facilities within the rights of way of state owned highways shall be suspended if a debt is owed by the Town to DOTD under the URAF program, that debt is currently due and the Town has not made a good faith effort to repay the debts; and,  
WHEREAS, a good faith effort to repay the debt is defined as, making annual payments of five (5) percent of the Town's gross income or ten (10) percent of its outstanding URAF debt; and,  
WHEREAS, pursuant to the Statements of Accounts issued by DOTD to the Town on February 24, 2010, each of the debts represented by the 1990, 1993 and 2001 Articles of Agreement are currently due; and,  
WHEREAS, because the Town has multiple Articles of Agreement, DOTD has asked that the Town execute one single Amendment to Utility Relocation Assistance Funding (URAF) Agreement, which shall amend the 1990, 1993 and 2001 Articles of Agreement to provide a repayment schedule of annual payments of ten (10) percent of the outstanding debt from the 1990 Articles of Agreement until that debt is retired, followed by annual payments of ten (10) percent of the outstanding debt from the 1993 Articles

of Agreement until that debt is retired, followed by annual payments of ten (10) percent of the outstanding debt from the 2001 Articles of Agreement until that debt is retired; and,

NOW, THEREFORE, BE IT RESOLVED by the Board of Alderpersons of the Town as follows:

Section 1. Johnny V. Digilormo, in his capacity as Mayor of the Town ("Mayor"), is authorized to execute, on behalf of the Town, an Amendment to Utility Relocation Assistance Funding (URAF) Agreement, which shall be prepared by the Louisiana Department of Transportation and Development and which shall amend the 1990, 1993 and 2001 Articles of Agreement to provide a repayment schedule of annual payments of ten (10) percent of the outstanding debt from the 1990 Articles of Agreement until that debt is retired, followed by annual payments of ten (10) percent of the outstanding debt from the 1993 Articles of Agreement until that debt is retired, followed by annual payments of ten (10) percent of the outstanding debt from the 2001 Articles of Agreement until that debt is retired.

Section 2. All resolutions or parts thereof in conflict herewith are hereby repealed.

Motion by Jones, second by Prewett to accept Resolution 8 of 2011. All voted yea.

And Resolution 8 of 2011 was adopted on this 8<sup>th</sup> day of March, 2011.

Resolution 6 of 2011 (Sewer Revenue Bonds-Mr. David Henderson, w/ Foley & Judell)

The following resolution was offered by Ashby and seconded by Prewett.

#### RESOLUTION 6 of 2011

A resolution declaring the intention of the Town of Blanchard, State of Louisiana (the "Town"), acting as the governing authority thereof, to issue Sewer Revenue Bonds in an amount not to exceed Two Million Dollars (\$2,000,000), in one or more series, for the purpose of acquiring, constructing and equipping improvements and extensions to the sewer system of the Town; generally describing said Sewer Revenue Bonds and the security therefor; authorizing the newspaper publication of a notice of such intention setting forth a date and time when said governing authority will meet in open and public session to hear any objections to the proposed issuance of such Bonds; providing for the filing of a petition by a certain percentage of the electors of the Town objecting to the issuance of the proposed Bonds unless an election is held on the question of the issuance thereof; and other matters in connection therewith.

WHEREAS, the Town of Blanchard, State of Louisiana (the "Town"), proposes to acquire, construct and equip improvements and extensions to the sewer system of the Town and proposes to provide financing therefor through the sale and issuance of not exceeding Two Million Dollars (\$2,000,000) of Sewer Revenue Bonds of the Town (the "Bonds"); and WHEREAS, this Board of Aldermen of the Town (the "Governing Authority"), acting as the governing authority of the Town, proposes that the Bonds be issued in one or more series in the manner prescribed by and under the authority of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority; and

WHEREAS, this Governing Authority, in accordance with the provisions of the Act, now desires to authorize the giving and publication of a notice of intention generally describing the Bonds and the security therefor, setting forth a date and time when it will meet in open and public session to hear any and all objections to the proposed issuance of the Bonds and provide for the filing of a petition by a certain hereinafter described percentage of the electors objecting to the issuance of the Bonds unless an election is held on the question of the issuance thereof;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the Town of Blanchard, State of Louisiana, acting as governing authority of said Town, that:

SECTION 1) Pursuant to and in compliance with the provisions of the Act, and other constitutional and statutory authority, this Governing Authority does hereby declare its intention to issue not exceeding Two Million Dollars (\$2,000,000) of Sewer Revenue Bonds of the Town, in one or more series, the proceeds of which will be used to pay for the purpose of acquiring, constructing and equipping improvements and extensions to the sewer system of the Town, including appurtenant equipment, accessories and properties, both personal and real, as works of public improvement for the Town and paying the costs of issuance of the Bonds (the "Project"). The Bonds shall be limited and special revenue bonds of the Town, secured by and payable in principal, interest and redemption premium, if any, solely from the income and

revenues derived or to be derived by the Town from the operation of its sewer system (the "System"), after paying the reasonable and necessary expenses of operating and maintaining the System. The Bonds shall not be a charge on the other income and revenues of the Town as prohibited under the provisions of Article 6, Section 37 of the Louisiana Constitution of 1974, nor shall they constitute an indebtedness or pledge of the general credit of the Town. The Bonds will be issued and authorized by resolution of this Governing Authority. The Bonds shall be of such series, bear such date, mature at such time or times (not to exceed twenty-two (22) years from their date of issuance), bear interest at such rate or rates (not exceeding three per centum (3%) per annum), be in such denomination or denominations, in fully registered form, carry such registration privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be entitled to such priorities on the income and revenues of the System as such resolution may provide.

The Town will, in such resolutions, enter into such covenants with the future owner or owners of the Bonds as to the management and operation of the System, the imposition and collection of rates and charges for the services rendered thereby, the disposition of such fees and revenues, the issuance of future bonds and the creation of future liens and encumbrances against the System and the revenues therefrom, the carrying of insurance on the System and the disposition of the proceeds of insurance, the keeping of books and records, and other pertinent matters as may be deemed proper by this Governing Authority to assure the marketability of the Bonds, consistent with the provisions of the Act. Such resolution will also include remedies in case of default, provision for the issuance of parity bonds, and such additional covenants, agreements and provisions as are judged advisable or necessary by this Governing Authority for the security of the registered owners of the Bonds, including a sinking fund and reserve fund for the payment of principal and interest on the Bonds and a depreciation fund for those repairs, extensions and improvements to the System as may be necessary for adequate and efficient service to the public, all as provided by the Act.

SECTION 2) The Town intends to sell the Bonds to the Louisiana Department of Environmental Quality's Clean Water State Revolving Fund; therefore, pursuant to Section 39:1022 of the Louisiana Revised Statutes of 1950, as amended, the preliminary approval of the State Bond Commission of the contents of the Notice of Intention set forth in Section 4 hereof prior to its publication shall not be required. The issuance of the Bonds, however, shall be approved by the State Bond Commission, Baton Rouge, Louisiana, before their delivery.

SECTION 3) This Governing Authority will meet in open and public session on Tuesday, April 12, 2011, at seven o'clock (7:00) p.m., or such other date and time as may be determined by the Governing Authority, at 110 Main Street, Blanchard, Louisiana 71009, to hear any objections to the proposed issuance of the Bonds; provided, however, if at such hearing a petition duly signed by the electors of the Town in a number not less than five percent (5%) of the number of the electors of the Town voting in the last special or general election held in the Town object to the issuance of the Bonds, then the Bonds shall not be issued until approved by a vote of a majority of the qualified electors of the Town who vote at a special election held for that purpose in the manner provided by Chapter VI-A, Title 18 of the Louisiana Revised Statutes of 1950. Any such petition shall be accompanied by a certificate of the Caddo Parish Registrar of Voters certifying that the signers of the petition are registered electors of the Town and the number of signers amounts to not less than five percent (5%) of the registered voters that voted in the last election held in the Town, all as provided by the Act.

SECTION 4) The Mayor is hereby authorized, empowered and directed to publish an appropriate notice of the intention of the Town to issue the Bonds in accordance with the provisions of this resolution and the Act. Such notice of intention shall embody in a general way substantially all the provisions of this resolution hereinabove set out and shall be published in four (4) consecutive weekly issues of the *The Inquisitor*, a newspaper of general circulation in the Town and published in Shreveport, Louisiana, and shall be in substantially the following form:

NOTICE OF INTENTION TO ISSUE NOT EXCEEDING  
\$2,000,000 OF SEWER REVENUE BONDS OF  
THE TOWN OF BLANCHARD,  
STATE OF LOUISIANA

PUBLIC NOTICE IS HEREBY GIVEN, pursuant to the provisions of a resolution adopted on March 8, 2011, by the Mayor and Board of Aldermen of the Town of Blanchard, State of Louisiana (the "Governing Authority"), acting as the governing authority of the Town of Blanchard, State of Louisiana (the "Town"), and in accordance with the provisions of Part XIII, Chapter 4, Title 39 of the Louisiana Revised Statutes of

1950, as amended (the "Act"), and other constitutional and statutory authority, that the Governing Authority does hereby declare its intention to issue not exceeding Two Million Dollars (\$2,000,000) of Sewer Revenue Bonds of the Town, in one or more series, the proceeds of which will be used to pay for the purpose of acquiring, constructing and equipping improvements and extensions to the sewer system of the Town, including appurtenant equipment, accessories and properties, both personal and real, works of public improvement for the Town (the "Project"). The Bonds shall be limited and special revenue bonds of the Town, secured by and payable in principal, interest and redemption premium, if any, solely from the income and revenues derived or to be derived by the Town from the operation of its sewer system (the "System"), after paying the reasonable and necessary expenses of operating and maintaining the System. The Bonds shall not be a charge on the other income and revenues of the Town as prohibited under the provisions of Article 6, Section 37 of the Louisiana Constitution of 1974, nor shall they constitute an indebtedness or pledge of the general credit of the Town. The Bonds will be issued and authorized by resolution of the Governing Authority. The Bonds shall be of such series, bear such date, mature at such time or times (not to exceed twenty-two (22) years from their date of issuance), bear interest at such rate or rates (not exceeding three per centum (3%) per annum), be in such denomination or denominations, in fully registered form, carry such registration privileges, be payable in such medium of payment and at such place or places, be subject to such terms of redemption and be entitled to such priorities on the income and revenues of the System as such resolution may provide.

The Town will, in such resolutions, enter into such covenants with the future owner or owners of the Bonds as to the management and operation of the System, the imposition and collection of rates and charges for the services rendered thereby, the disposition of such fees and revenues, the issuance of future bonds and the creation of future liens and encumbrances against the System and the revenues therefrom, the carrying of insurance, the keeping of books and records, and other pertinent matters as may be deemed proper by the Governing Authority to assure the marketability of the Bonds, consistent with the provisions of the Act. Such resolution may also include remedies in case of default, provisions for the issuance of parity bonds and such additional covenants, agreements and provisions as are judged advisable or necessary by the Governing Authority for the security of the owners of the Bonds, including a sinking fund and a reserve fund for the payment of principal and interest on the Bonds, and a depreciation fund for those repairs, extensions and improvements to the System as may be necessary to assure adequate and efficient service to the public, all as provided by the Act.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds will be sold at private sale, as provided for in the Act and statutory authority supplemental thereto.

NOTICE IS HEREBY FURTHER GIVEN that the issuance of the Bonds will, before the delivery thereof, be approved by the State Bond Commission, Baton Rouge, Louisiana.

NOTICE IS HEREBY FURTHER GIVEN that the Governing Authority will meet in open and public session on Tuesday, April 12, 2011, at seven o'clock (7:00) p.m., or such other date and time as may be determined by the Governing Authority, at 110 Main Street, Blanchard, Louisiana 71009, to hear any objections to the proposed issuance of the Bonds; provided, however, if at such hearing a petition duly signed by electors of the Town in a number not less than five percent (5%) of the number of the electors of the Town voting in the last special or general election held in the Town object to the issuance of the Bonds, then the Bonds shall not be issued until approved by a vote of a majority of the qualified electors of the Town who vote at a special election held for that purpose in the manner provided by Chapter VI-A, Title 18 of the Louisiana Revised Statutes of 1950. Any such petition shall be accompanied by a certificate of the Caddo Parish Registrar of Voters certifying that the signers of the petition are registered electors of the Town and the number of signers amounts to not less than five percent (5%) of the registered voters that voted in the last election held in the Town, all as provided by the Act.

THUS DONE AND SIGNED at Blanchard, Louisiana, on this, the 8<sup>th</sup> day of March, 2011.

SECTION 5) Prior to the issuance of the Bonds, the Town anticipates that it may pay a portion of the costs of the Project, including appurtenant equipment, accessories and properties, both personal and real, and costs related thereto, from other available funds. Upon issuance of the Bonds, the Town reasonably expects to reimburse said expenditures from the proceeds of the Bonds. Any such allocation of the proceeds of the Bonds for reimbursement will be with respect to preliminary expenditures or capital expenditures [as defined in Treasury Regulation 1.150-1(b)] and will be made upon the delivery of the Bonds and not later than eighteen (18) months after the date of (i) the date such expenditure was made or (ii) the date the improvements were placed in service. This resolution is intended to be a declaration of intent to reimburse in accordance with the provisions of Treasury Regulation 1.150-2.

SECTION 6) This Governing Authority finds and determines that a real necessity exists for the employment of special counsel in connection with the issuance of the Bonds, and accordingly, Foley & Judell, L.L.P., of New Orleans, Louisiana, is hereby employed to do and perform work of a traditional legal nature as bond counsel with respect to the issuance and sale of said Bonds. Said Bond Counsel shall prepare and submit to the Governing Authority for adoption all of the proceedings incidental to the authorization, issuance, sale and delivery of such Bonds, shall counsel and advise the Governing Authority as to the issuance thereof and shall furnish their opinions covering the legality of the issuance of the Bonds. The fee of Bond Counsel for each series of said bonds shall be fixed at a sum not exceeding the fee allowed by the Attorney General's fee guidelines for such bond counsel work in connection with the issuance of each such series of revenue bonds and based on the amount of said bonds actually issued, sold, delivered and paid for, plus "out-of-pocket" expenses, said fees to be contingent upon the issuance, sale and delivery of said bonds. A certified copy of this resolution shall be submitted to the Attorney General of the State of Louisiana for his written approval of said employment and of the fees herein designated, and the proper official of the Town is hereby empowered and directed to issue vouchers in payment for the work herein provided for upon completion of the work herein specified and under the conditions herein enumerated.

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

Motion by Ashby, seconded by Prewett. All voted yea.

And the resolution was declared adopted on this, the 8<sup>th</sup> day of March, 2011.

#### Resolution 7 of 2011 (Developmental Review Fees)

Motion by Whittington to defer to April 12<sup>th</sup> meeting. Second by Jones. All voted yea.

#### Report of Departments

Buildings and Grounds—Whittington stated the trash compactor north of town would start accepting recyclable plastic.

Streets and Rights of Way—Jones stated the list for needed road repair should be forthcoming from the parish.

Water Dept.—Prewett stated hopefully breaking ground soon on the new water plant.

Sewer Dept. — Ashby stated Resolution 6 of 2011 is to help with expansion of the sewer plant for future growth.

Police Dept.—Chief stated receiving a state grant for bullet resistant vests and Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) is providing a grant worth \$2,750 that will be used for eight cameras fully enclosed digital video surveillance system for the police station.

Treasurer Report—Lee stated everything running fine.

#### Comments by Mayor

Mayor Digilormo expressed appreciation to the citizens for their support of the Town. Motion by Lee to adjourn, second by Ashby. All voted yea. Meeting adjourned 8:08.

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Johnny Digilormo, Mayor

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Debra Smith, Town Clerk