

MINUTES OF THE  
BLANCHARD MAYOR AND TOWN COUNCIL  
SPECIAL MEETING- SEPTEMBER 23, 2014  
7:00 O'CLOCK P.M.

**Present:** Mayor Digilormo, Alderpersons Ashby, Guin, Jones, and Lee, Chief Presswood, Attorney Douthitt, David Yeates, Mike Knutsen representing East Mooringsport Water System, Debra Smith-Town Clerk, and various citizens.

**Absent:** Alderperson Whittington, Attorney Arceneaux, Lonnie Smith, and Perry Fuller.  
Meeting called to order by Mayor.

Motion to dispense with formalities made by Lee, second by Ashby. All voted yea.

**Questions and Statements of Citizens:** None.

**Old Business**

**Resolution 10 of 2014- (Resolution authorizing the Mayor to enter into an agreement with East Mooringsport Water System)**

Resolution 10 of 2014

A Resolution approving a Water System Purchase Agreement between the Town of Blanchard and East Mooringsport Water System, Inc., the Subsequent Transfer of Certain Assets of the East Mooringsport Water System, Inc. Pursuant to that Purchase Agreement, and otherwise providing with respect thereto

Whereas, the Town of Blanchard ("Town") is in the process of making improvements to the Blanchard Public Water System ("Blanchard System") whose PWS ID No. is LA1017006 (the "Project"); and,

Whereas, the East Mooringsport Water System, Inc. ("EMWS") desires to consolidate with or otherwise connect to the System to obtain a safe and steady supply of clean, potable water, and seeks to achieve this by transferring certain of EMWS's assets to the Town on the terms and conditions set forth in the Water System Asset Purchase Agreement ("Purchase Agreement") attached hereto and incorporated herein; and,

Whereas, the Town is willing to take over EMWS through the transfer of certain of the assets of the EMWS water system ("EMWS System") as set forth in the Purchase Agreement, and desires to enter into the Purchase Agreement setting forth the terms and conditions of the transfer of the EMWS System, and further desires to authorize the Mayor to execute and deliver the Agreement on behalf of the Town; and,

Whereas, once the conditions (including specifically but without limitation the acceptance by the United States Department of Agriculture – Rural Development ("USDA-RD") of Blanchard's offer in full and complete satisfaction of EMWS's indebtedness to USDA-RD) set forth in the Purchase Agreement have been met to the satisfaction of the Mayor and the Town Attorney, in their sole discretion, the Mayor shall be authorized to accept the EMWS System and further authorized to execute and deliver any instrument or other writing necessary to consummate the transfer of the EMWS System, including without limitation the Conveyance of Movable and Immovable Property – Water System Assets, all on behalf of the Town.

Now, therefore, be it resolved by the Board of Alderpersons of the Town, that the Town is authorized to enter into the Purchase Agreement, and that the Mayor is authorized to execute the Purchase Agreement on behalf of the Town.

Be it further resolved by the Board of Alderpersons of the Town, that once the conditions set forth in the Purchase Agreement have been met to the satisfaction of the Mayor and the Town Attorney, in their sole discretion, the Mayor is authorized to execute and deliver any instrument or other writing necessary to consummate the transfer of the EMWS System, including without limitation the Conveyance of Movable and Immovable Property – Water System Assets, all on behalf of the Town.

Be it further resolved that if any provision or item of this Resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications of this Resolution that can be given effect without the invalid provisions, items or applications and to this end the provisions of this Resolution are hereby declared severable.

Be it further resolved that any resolutions or parts hereof in conflict herewith are hereby repealed.

Motion by Jones to adopt Resolution 10 of 2014, second by Ashby. The vote thereon was as follows:

YEAS: Ashby, Guin, Jones, and Lee

NAYS: None

ABSENT: Whittington

ABSTAIN: None

And Resolution 10 of 2014 was adopted on this 23<sup>rd</sup> day of September, 2014.

### **Water System Asset Purchase Agreement**

This Water System Asset Purchase Agreement (“Agreement”), dated as of the date of the last signature hereon, by and between the Town of Blanchard (“Purchaser”), a Louisiana municipality represented herein by Johnny Digilormo, its duly authorized Mayor, and East Mooringsport Water System, Inc. (“Seller”), a Louisiana non-profit corporation represented herein by Mike Knutsen, its duly authorized President.

Whereas, Seller owns and operates a water system (the “System”), commonly known as the East Mooringsport System, which distributes water to all or part of the following areas: Lake End Road, Sundown Drive, Oaklawn Road, Louisiana Highway 1 and Louisiana Highway 169, as more fully described in the map attached as Exhibit A hereto; and

Whereas, Seller desires to sell and the Purchaser desires to purchase the System; all servitudes, rights, easements and rights of ingress and egress to the System; certain equipment used in connection with the operation to the System, specifically excepting any water treatment plant owned or operated as part of the System or the land on which any such water treatment plant is situated; and all lists, documents, files and records related to the System, other than customer deposits and water user agreements, all on the terms and conditions set forth in this Agreement.

Now, therefore, for good and valid cause and for and in consideration of the mutual promises made herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

#### Section 1

##### **Agreement to Purchase and Sell the Assets**

1.0 Subject to the suspensive conditions described in this Agreement, Purchaser agrees to purchase from Seller and Seller agrees to sell, transfer, assign, convey and deliver to Purchaser, on the terms and conditions and in the manner set forth in this Agreement, each and all of the following assets owned by Seller and used in the operation of the System (hereinafter collectively referred to as the “Assets”):

(a) The System, bearing Public Water System ID No. 1017010, including without limitation all water distribution pipes and lines and all rights, permits and/or approvals relating to the operation or ownership of the System from or associated with any governmental agency, regulatory agency, franchisor or other entity or organization providing the System with

permission (whether direct or indirect);

(b) All servitudes, rights, easements and rights of ingress and egress to the System, of whatever nature or description and wherever located;

(c) All lists of the customers of the System (the "Customers"), as well as all documents, files and records related to the System, other than customer deposits and water user agreements;

(d) Any and all water meters, water meter lids, meter reading equipment and any other equipment or machinery of any nature whatsoever used in connection with the operation of the System, whether currently in use or in storage, but specifically excluding any water treatment plant owned or operated as part of the System or the land on which any such water treatment plant is situated.

1.1 Purchaser and Seller agree that any water treatment plant owned or operated as part of the System or the land on which any such water treatment plant is situated (or rights to locate the water treatment plant thereon) is specifically excluded from the purchase of this System.

## Section 2

### Purchase Price and Allocation

2.0 The purchase price ("Purchase Price") for the System shall be Twenty-Seven Thousand Five Hundred dollars and no/100 (\$27,500.00), which shall be payable in full to the United States Department of Agriculture Rural Development ("USDA-RD") as full and complete satisfaction of all indebtedness owed by Seller to USDA-RD ("Indebtedness"), to obtain the release by USDA-RD of any lien, security interest, mortgage or other encumbrance of or against the System.

## Section 3

### Liabilities, Debts or Obligations of Seller

3.0 Purchaser will not assume and will not discharge or be liable for any debts, liabilities, or obligations of Seller, including, without limitation: (i) any liabilities or obligations of Seller except as expressly described as assumed in this Agreement; (ii) liabilities or obligations of Seller arising from any transactions relating to the System except as herein provided; (iii) sales, use or income tax, unemployment compensation contributions, workmen's compensation contributions, employee benefits or any other liabilities or obligations of Seller incurred in connection with the System, or the sale of its Assets pursuant to this Agreement, or in connection with its liquidation or dissolution unless otherwise provided herein; (iv) any fines or penalties payable to any government or governmental department or agency, including but not limited to the United States Environmental Protection Agency, the Louisiana Department of Environmental Quality, and the Louisiana Department of Health and Hospitals; or (v) any contingent liabilities or obligations of Seller.

3.1 It is expressly agreed by the parties herein that Purchaser shall not assume the lease of immovable property from City of Shreveport to Seller for the purpose of a water treatment facility, although certain equipment of the System included as Assets in this sale and purchase may be located on such property.

## Section 4

### Representations and Warranties of Seller

4.0 Seller, in order to induce Purchaser to enter into this Agreement and intending that Purchaser rely thereupon in entering into and performing this Agreement, represents and warrants that each of the following is true as of the date of the Agreement and will be true as of the Closing Date:

4.1 Seller is a non-profit corporation duly organized, validly existing, and in good standing under the laws of the State of Louisiana, and is qualified to transact business in Louisiana and has the corporate power and the authority to own its properties and to conduct its business as presently conducted in Louisiana.

4.2 All necessary action on the part of the Seller has been taken to authorize and approve the execution and delivery of this Agreement and performance thereof by Seller, and Seller has all requisite power and authority to make, execute, deliver and perform this Agreement.

4.3 To the best of Seller's knowledge, neither the making of this Agreement nor performance hereunder will constitute a breach under or violation of Seller's Articles of Incorporation or Bylaws, or any material indenture, mortgage, contract, note or other agreement to which Seller is a party or by which Seller may be bound.

4.4 This Agreement has been duly and validly authorized, executed and delivered by Seller and constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms subject only to the enforcement of remedies applicable to bankruptcy, insolvency, moratorium, or other similar laws affecting the enforcement of creditors' rights generally.

4.5 To the best of Seller's knowledge, no other representation or warranty made by Seller in this Agreement, and no statement contained in any certificate, exhibit, document or other instrument furnished or to be furnished to Purchaser pursuant hereto or in connection with the transactions herein contemplated, contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make the statements contained therein not misleading.

4.6 Seller has good and marketable title to the Assets and will convey the Assets free and clear of any and all leases, mortgages, pledges, liens, charges, security interests, encumbrances, servitudes, licenses, and other restrictions of any kind except for liens for current taxes due but not yet delinquent.

4.7 To the best of Seller's knowledge, all water lines for the transportation and distribution of water to the Customers of the System are in place and in working condition. All properties served by the Seller as part of the System have water meters installed and, to the best of Seller's knowledge, all meters are in good working order.

4.8 To the best of Seller's knowledge, Seller is in material compliance with all applicable laws relating to employee health and safety. Seller has not received any notice that the past or present conditions of any of Seller's assets violate any applicable legal requirement or otherwise can be made the basis of any claim, proceeding, or investigation based on or related to employee health and safety.

4.9 To the best of Seller's knowledge, all records relating to the System and provided to Purchaser are true, accurate, and not misleading.

4.10 To the best of Seller's knowledge, Seller is not infringing or otherwise acting adversely to the rights of any person under or in respect of any patent, trademark, service mark, trade name, copyright, license, software licensing agreement, or other similar intangible right. To the best of Seller's knowledge, Seller is not obligated or under any liability whatever to make any payments by way of royalties, fees, or otherwise to any owner or licensee of or other claimant to any patent, trademark, trade name, copyright, software licensing agreement, or other intangible asset with respect to the use thereof or in connection with the operation of the System, or otherwise.

4.11 Seller will operate the System in all respects in the ordinary course, staying open for business and serving Customers, through the Closing Date.

4.12 Seller has not engaged a broker in connection with the sale of the Assets, and no party to this Agreement will incur any liability for or as a result of any sales commission or claim therefor by a broker or sales agent. Seller will indemnify, hold harmless, and defend Purchaser from and against any sales commission or claim therefor by a broker or sales agent.

4.13 There are no actions, suits, or administrative proceedings pending or threatened against Seller affecting the System or any other Assets being sold herein or any of its properties or rights, before any federal, state, municipal or other government agency or instrumentality, domestic or foreign. Seller is not in default or noncompliance with respect to any order or decree of any court or of any governmental agency or instrumentality. Seller has, or on the Closing Date will have, obtained all consents, approvals or actions by any federal, state, local or other governmental authority necessary in connection with execution, delivery and performance of this Agreement and the transactions contemplated thereby.

4.14 No employment contracts exist to which Seller is party. Seller is not a party to any employee benefit plan.

4.15 Seller's federal taxpayer identification number is 72-0720148.

#### Section 5

##### Representations and Warranties of Purchaser

5.0 Purchaser, in order to induce Seller to enter into this Agreement and intending that Seller rely thereupon in entering into and performing this Agreement, represents and warrants that each of the following is true as of the date of the Agreement and will be true as of the Closing Date:

5.1 Purchaser has all requisite power and authority to make, execute, deliver and perform this Agreement. This Agreement has been duly and validly authorized, executed and delivered by Purchaser and constitutes the valid and legally binding obligation of Purchaser, enforceable in accordance with its terms.

5.2 To the best of Purchaser's knowledge, no consent, approval or action by any federal, state, local or other governmental authority is necessary in connection with Purchaser's execution, delivery, and performance of this Agreement, or, if such consent, approval or action by any authority is required, the same has been given by that certain authority.

5.3 Purchaser has not engaged a broker in connection with the sale of the assets and no party to this Agreement will incur any liability for or as a result of any sales commission or claim therefore arising as a result of Purchaser's acts.

#### Section 6

##### Purchaser's Conditions Precedent to Closing

6.0 Purchaser's obligations hereunder are subject, at Purchase's election, to satisfaction of each of the following conditions on or prior to the Closing unless a prior date has been stated herein (compliance with any of which the Purchaser may waive only in writing):

6.1 The obligations of the parties stated herein are wholly conditioned upon the receipt, approval and closing by Purchaser of financing for the purchase of the Assets by a secured lender of the Purchaser's choice, including without limitation the Department of Health and Hospitals Drinking Water Revolving Loan Fund ("DHHDWRLF"). Further, regardless of whether or not DHHDWRLF provides financing for this transaction, DHHDWRLF must consent to Purchaser's purchase of the System and consolidation of the same with its newly improved water system.

6.2 The obligations of Purchaser to provide the Purchase Price to USDA-RD are wholly conditioned upon USDA-RD's acceptance of Purchaser's offer of the Purchase Price in full and complete satisfaction of all of Seller's Indebtedness to USDA-RD, and USDA-RD's subsequent release of all liens, security interests, mortgages or other encumbrances of or against the System in exchange for the satisfaction of such Indebtedness as set forth herein.

6.3 Seller must deliver the Assets free and clear of any lien, security interest, mortgage or other encumbrance, and to that end, Seller shall cause its secured lenders to release, at or prior to Closing, any and all security interests or other encumbrances covering or affecting any of the Assets.

6.4 The representations and warranties of Seller contained in this Agreement or in any schedule, certificate or document delivered by Seller to Purchaser pursuant to the provisions hereof shall have been true on the date hereof without regard to any schedule updates furnished by Seller after the date hereof and shall be true on the Closing Date with the same effect as though such representations and warranties were made as of such date. In addition, Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing, including the delivery to Purchaser of all schedules, documents and instruments required to be delivered under this Agreement.

6.4 Purchaser shall have received a certificate from Seller dated the Closing Date, certifying in such detail as Purchaser may reasonably request that the conditions specified in this Agreement hereof have been fulfilled or will be fulfilled as of the Closing Date and certifying that Seller has obtained all consents and approvals required with respect to it or the System by this Agreement.

6.5 On the Closing Date, no suit, action, administrative or other proceeding, or injunction or final judgment relating thereto, shall be threatened or pending before any court or governmental or regulatory official, body or authority in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might result in any such suit, action or proceeding shall be pending or threatened.

6.6 Purchaser shall complete its investigation of the System, the Assets and Seller, as contemplated by the terms of this Agreement, and Purchaser shall be satisfied with the results of such investigation. Further, Purchaser shall have full access to all Assets to make its investigation, whether by physical inspection or by copy, as the case may be.

6.7 Seller and Purchaser shall work together to ensure the notification of all of the Customers of the imminent purchase of the System by the Purchaser and the expected date thereof, all to the Purchaser's satisfaction.

6.8 On or prior to Closing, Purchaser must have the necessary capacity and ability to provide water to the Customers of the System.

#### Section 7

##### Covenants of Seller

7.0 Seller in order to induce Purchaser to enter into this Agreement and perform its obligations hereunder, hereby covenants and agrees as follows:

7.1 At Closing, Seller will obtain from all of its secured creditors, including all state and federal taxing authorities, a release of any security interests in, or judgments or liens against, the Assets (to the extent such liabilities are not expressly assumed in writing by Purchaser). All other liens or other encumbrances on any of the Assets shall have been released of record before or at Closing or shall have been paid to the satisfaction of Purchaser. In addition, Seller shall have timely paid all its other utility creditors for debts related to services which are necessary to provide continued operation of the System after Closing.

7.2 Seller shall give Purchaser, and Purchaser's agents, employees and contractors, unlimited access to the System to perform such tests and inspections, at Purchaser's expense, as Purchaser shall request. Further, Purchaser shall be granted unlimited access for performing any work to fully connect to the System to the Blanchard Public Water System and any improvements that it has undertaken, as Purchaser deems necessary and related to planning and effectuating the use of the System.

7.3 Seller agrees that all customers of the System will become customers of Purchaser, subject to the rates and policies relating to Purchaser's customers in effect from time to time, and that Seller remains responsible to the Customers with respect to any security deposits ("Deposits") made by any Customer of the System prior to transfer; and that each Customer of the System will be required to enter into such user agreements as may be in effect from time to time pursuant to the policies and procedures of the Purchaser and that each Customer will be required to provide a Deposit to Purchaser in connection with water service provided by Purchaser. No Deposits of the Customers of the System have been or will be accounted for or transferred from Seller to Purchaser.

#### Section 8

##### Closing

8.0 The date and time of the Closing of the transaction contemplated by this Agreement shall be no later than thirty (30) days after USDA-RD's acceptance of Purchaser's offer to pay the Purchase Price in full and complete satisfaction of the Indebtedness, subject to any

additional time required or limitations imposed by USDA-RD in connection with this transaction. The Closing shall take place at the offices of Blanchard, Walker, O'Quin & Roberts, A PLC, located at 400 Texas Street, Suite 1400, Shreveport, Louisiana. The date of Closing is referred to in this Agreement as the "Closing Date" or "Closing." Purchaser shall take possession of the System on the Closing Date.

8.1 At the Closing, Seller shall deliver to Purchaser each and all of the following:

(a) Conveyance of Movable and Immovable Property – Water System Assets ("Conveyance") to Purchaser for all of the Assets in substantially the same form as that Conveyance attached hereto as Schedule 11.1(A), together with any and all other certificates of title, releases or other instruments of conveyance which are necessary to convey title to the Assets, free and clear of all liens and encumbrances, all in form and substance reasonably satisfactory to counsel for Purchaser.

(b) Releases by Seller's creditors of security interests in the Assets as required in this Agreement, including but not limited to USDA-RD release.

(c) An updated list of Customers, including names and addresses of the same.

(d) Any and all other documents, instruments, schedules or exhibits which are to be furnished by Seller to Purchaser pursuant to the terms and provisions of this Agreement.

8.2 At the Closing, Purchaser shall deliver the Purchase Price directly to USDA-RD in full and complete satisfaction of Seller's Indebtedness.

8.3 On the Closing Date, Purchaser shall begin providing water to the System and shall be the sole source thereof, but shall only be obligated to provide water to Customers who have (i) entered into a Water User's Agreement with the Purchaser; and (ii) provided a Deposit for water service to the Purchaser ("Customer Requirements"). Purchaser shall have the right, but not the obligation, to refuse to provide water to any Customer who has not met the Customer Requirements as of the Closing Date by shutting off water service to any Customers' connection to the System, without liability to any Customer for said water shut-off. As of the Closing Date or immediately thereafter, Purchaser shall cause the meters of all Customers to be read, and shall use those readings to begin Purchaser's billing of the Customers for water service.

8.4 In the event that Seller desires to bill its Customers for water service from Seller for any water usage up to but not including the Closing Date, Seller shall be wholly responsible for billing and collecting for such water service. Purchaser will not assist in the collections process in any way, and will not be obligated to shut water off to any Customer for nonpayment to Seller. Purchaser may, but shall not be obligated to, provide the first water meter readings obtained by Purchaser for Seller's final billing of Customers of the System.

## Section 9

### Indemnification

9.0 Seller agrees to indemnify, hold harmless, and defend Purchaser at all times from and after the Closing Date against and in respect to any damages, as hereinafter defined. Damages, as used in this Section 9.0, shall include any claims, actions, demands, losses, costs, expenses, liabilities (joint or solidary), penalties, and damages, including reasonable attorney's fees incurred in investigating or in attempting to avoid the same or oppose the imposition thereof, resulting to Purchaser from: (a) any inaccurate representation made by Seller on or prior to the Closing Date in connection with this Agreement; (b) any breach of any of the warranties made by Seller in or under this Agreement; (c) any breach or default in the performance by Seller of any of the covenants and agreements contained or referenced herein; (d) any alleged or actual debts, liabilities, or obligations of Seller, whether accrued, absolute, contingent, or otherwise, due or to become due, unless expressly assumed by Purchaser hereunder, including but not limited to Seller's responsibility for environmental matters; or (e) any alleged or actual failure of Seller to comply with any applicable law, regulation or order in the ownership, operation or use of the System or any of the Assets.



Mooringsport, LA 71060  
Email: [mkanvil@aol.com](mailto:mkanvil@aol.com)  
Phone: (318) 840-5335

11.1 Entire Agreement. This Agreement, including the Exhibits attached hereto, contains the entire agreement of the parties hereto and supersedes all prior or contemporaneous agreements and understandings, oral or written, between the parties hereto with respect to the subject matter hereof.

11.2 Amendment. No amendment or waiver of any provision of this Agreement or any Exhibit hereto or document referred to herein or contemplated hereby shall be effective unless the same shall be in writing and signed by the parties and then such waiver shall only be effective in the specific instance and for the specific purpose for which it was given.

11.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective personal representatives, successors and assigns; provided, however, that neither party may assign its rights hereunder without the prior written consent of the other party.

11.4 Costs. Except as otherwise provided herein or by separate agreement, Seller and Purchaser shall each pay their own expenses and costs incurred in connection with negotiating, preparing and consummating the transactions contemplated by this Agreement, including but not limited to fees and expenses of their attorneys and accountants.

11.5 Governing Law. This Agreement, including the Exhibits attached hereto, shall be interpreted, construed, governed by and enforced in accordance with the laws of the State of Louisiana, without regard to its conflicts of laws principles, and venue shall be proper in Caddo Parish, Louisiana.

11.6 Headings. The headings in this Agreement are intended for the convenience of the parties only and shall in no way be held to explain, modify, amplify or aid in the interpretation of the provisions hereof.

11.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together shall constitute one and the same Agreement.

11.8 Survival. Notwithstanding any inspection, the representations, warranties, covenants and indemnification provisions contained herein shall survive the execution of this Agreement and shall survive the Closing.

11.9 Savings; Severability. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in Louisiana. Accordingly, to the extent that any covenant hereunder shall be adjudicated to be invalid or unenforceable, this Agreement shall be deemed amended to reform the portion thus adjudicated to be invalid or unenforceable, to the least extent necessary to render such covenant valid and enforceable. Should any term or provision of this Agreement be held invalid or unenforceable for any reason, such term or provision shall be ineffective to the extent of such invalidity or unenforceability without invalidating the remaining terms and provisions hereof, and this Agreement shall be construed as if such invalid or unenforceable term or provision had not been contained herein.

11.10 Further Assurances. From time to time after the Closing, at the request of Purchaser, Seller shall execute and deliver to the other party such other instruments, including instruments of conveyance and transfer and take such other action as may be reasonably necessary to more effectively convey to, transfer to, and vest in the Purchaser title to any or all of the Assets or to otherwise fulfill the terms and conditions of this Agreement.

SCHEDULE 11.1(A)  
CONVEYANCE OF MOVABLE AND IMMOVABLE PROPERTY  
WATER SYSTEM ASSETS

**East Mooringsport Water System, Inc.** (“Seller”), a Louisiana non-profit corporation domiciled in Caddo Parish, represented herein by Mike Knutsen, its duly authorized President; and

**Town of Blanchard** (“Purchaser”), a Louisiana municipality represented herein by Johnny Digilormo, its duly authorized Mayor, who, declared as follows:

For Good And Valid Cause and for and in consideration of the terms and conditions of this Bill of Sale and the terms and conditions set forth in that certain Water System Purchase Agreement (“Purchase Agreement”) between Seller and Purchaser dated September 23, 2014, and the benefits to be derived therefrom, the receipt and sufficiency of all of which are acknowledged by Seller and Purchaser, Seller and Purchaser enter into this Conveyance as follows:

For the sum of Twenty-Seven Thousand Five Hundred dollars and no/100 (\$27,500.00), being the amount agreed upon by Purchaser and the United States Department of Agriculture Rural Development (“USDA-RD”) as full and complete satisfaction of all indebtedness owed by Seller to USDA-RD (“USDA-RD Indebtedness”) to obtain the release by USDA-RD of any lien, security interest, mortgage or other encumbrance of or against the System which has or may secure the USDA-RD Indebtedness, cash in hand paid, the receipt and sufficiency of which are hereby acknowledged, Seller does hereby transfer and convey to Purchaser the System owned and operated by Seller, bearing Public Water System ID No. 1017010, including without limitation all water distribution pipes and lines and all rights, permits and/or approvals relating to the operation or ownership of the System from or associated with any governmental agency, regulatory agency, franchisor or other entity or organization providing the System with permission (whether direct or indirect); all servitudes, rights, easements and rights of ingress and egress to the System; all lists of the Customers of the System, as well as all documents, files and records related to the System, other than customer deposits and water user agreements; any and all water meters, water meter lids, meter reading equipment and any other equipment or machinery of any nature whatsoever used in connection with the operation of the System, whether currently in use or in storage, but specifically excluding any water treatment plant owned or operated as part of the System or the land on which any such water treatment plant is situated (all being collectively referred to herein as the “Assets”).

To Have and To Hold all of the Assets unto Purchaser, its successors and assigns forever, and that in addition, Seller and Purchaser agree as follows:

Seller and Purchaser Agree that all customers of the System will become customers of Purchaser, subject to the rates and policies relating to Purchaser’s customers in effect from time to time, and that Seller remains responsible to the Customers with respect to any deposits made by any Customer of the System prior to transfer; and that each Customer of the System will be required to enter into such user agreements as may be in effect from time to time pursuant to the policies and procedures of the Purchaser and that each Customer will be required to provide a security deposit to Purchaser in connection with water service provided by Purchaser. No security deposits of the Customers of the System have been or will be accounted for or transferred from Seller to Purchaser.

Purchase Does Not Assume and will not discharge or be liable for any debts, liabilities, or obligations of Seller, including, without limitation: (i) any liabilities or obligations of Seller except as expressly described as assumed in this Agreement; (ii) liabilities or obligations of Seller arising from any transactions relating to the System except as herein provided; (iii) sales, use or income tax, unemployment compensation contributions, workmen's compensation contributions, employee benefits or any other liabilities or obligations of Seller incurred in connection with the System, or the sale of its Assets pursuant to this Agreement, or in connection with its liquidation or dissolution unless otherwise provided herein; (iv) any fines or penalties payable to any government or governmental department or agency, including but not limited to the United States Environmental Protection Agency, the Louisiana Department of Environmental Quality,

and the Louisiana Department of Health and Hospitals; or (v) any contingent liabilities or obligations of Seller.

From Time to Time after the execution and delivery of this Conveyance, at the request of Purchaser, Seller agrees to execute and deliver to Purchaser such other instruments, including instruments of conveyance and transfer and take such other action as may be reasonably necessary to more effectively convey to, transfer to, and vest in Purchaser ownership of any or all of the Assets.

This Conveyance is binding upon and shall inure to the benefit of Seller, Purchaser, and their respective successors and assigns; provided, however, that neither party may assign its rights hereunder without the prior written consent of the other party.

This Conveyance and the Purchase Agreement embody the final, entire agreement among the parties hereto and supersede any and all prior commitments, agreements, representations, and understanding, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of the parties hereto. There are no oral agreements among the parties hereto. The provisions of this Conveyance may be amended or waived only by an instrument in writing signed by the parties to such document.

Any Defined Terms not otherwise defined in this Conveyance shall have those meanings provided in the Purchase Agreement.

### **New Business**

#### **Resolution 11 of 2014- (Resolution for LMA expressing support of the Constitutional Amendment 3 (ACT 871 of the 2014 Regular Session of the LA Legislature) and Constitutional Amendment 10 (ACT 436 of the 2014 Regular Session of the LA Legislature)).**

Resolution 11 of 2014

A Resolution by the the Town of Blanchard Expressing the Support of Constitutional Amendment 3 (Act 871 of the 2014 Regular Session of the Louisiana Legislature) and Constitutional Amendment 10 (Act 436 of the Regular Session of the Louisiana Legislature), Constitutional Amendments to Assist Municipalities in the Fight Against Blighted Property.

Whereas, the Town of Blanchard relies on various sources of revenue to fund services to its citizens, including an annual property tax millage assessed to owners of real property located within the municipal limits and;

Whereas, the sale of adjudicated property and other aspects of a tax sale is a very complicated process in which many municipalities do not have the staff nor the necessary resources to ensure the compliance with the requirements to ensure the constitutional protections of the property owners and the public entity and;

Whereas, currently over 40 public bodies have opted to use cooperative endeavor agreements with private third parties to assist in the tax sale process and;

Whereas, on January 28, 2014, Louisiana State Supreme Court in the matter of *Jackson et al v. City of New Orleans 2012-CA-2742, 2012-CA-2743, January 28, 2014* which in summary, stated the City of New Orleans ordinance authorizing a cooperative endeavor agreement with a third party was unconstitutional based on the provisions of Article 7 Section 25 of the Louisiana Constitution to provide that only the tax collector or their employees may perform the functions of a tax sale and;

Whereas, the decision in *Jackson et al v. City of New Orleans* could jeopardize existing cooperative endeavor agreements and in response to the decision, the Louisiana Municipal Association supported HB 488 by Representative Johnny Berthelot which seeks to clarify that

public bodies have the authority under the Louisiana State Constitution should the body opt to enter into such a contract and;

Whereas, the ability to enter into a cooperative endeavor agreement with a third party for the purposes of assisting municipalities with the tax sale process has many positive aspects including the ability to protect the constitutional rights of property owners, create a more efficient and less costly process for local governments, and also to ensure that property owners fulfill their obligations as taxpayers; and;

Whereas, on June 23, 2014, HB 488 became Act 871 and will be placed on the November 4, 2014 election ballot as Constitutional Amendment 3 for the voters of the State of Louisiana to consider whether an authorized agent of a tax collector can assist in the sales tax process and any fees charged may be included in the cost; and

Whereas, on June 26, 2013, HB 256 became Act 436 of the 2013 Regular Session of the Louisiana Legislature, a measure in which the Louisiana Municipal Association gave its full support and will appear on the November 4, 2014 election ballot as Constitutional Amendment 10 and;

Whereas, Act 436 seeks to provide for an 18-month redemption period in any parish other than Orleans, for vacant property sold at a tax sale which is considered blighted or abandoned and;

Let It Hereby Be Resolved that the Town of Blanchard supports the passage of both Constitutional Amendment 3 and Constitutional Amendment 10 on November 4, 2014 as both constitutional amendments will provide valuable tools for municipalities and parishes to address the blighted property issues throughout the state in order to protect the health, safety and welfare of their citizens.

Motion by Lee to adopt Resolution 11 of 2014. Seconded by Guin. The vote thereon was as follows:

YEAS: Ashby, Guin, and Lee.

NAYS: None

ABSENT: Whittington

ABSTAIN: Jones

And Resolution 11 of 2014 was adopted this 23<sup>rd</sup> day of September, 2014.

**SWEPCO has requested a letter of support re: EPA's proposed regulations under Section 111(d) of the Clean Air Act.**

Motion by Lee to send the following letter. Second by Ashby. All voted yea.

Ms. Gina McCarthy, Administrator  
US Environmental Protection Agency  
1200 Pennsylvania Ave NW  
Mail Code 1101A  
Washington DC 20460

RE: Comment: Docket EPA-HQ-OAR-2013-0602 regarding USEPA regulating greenhouse gas emissions from existing coal and natural gas fired power plants

Dear Administrator McCarthy:

This letter and its enclosed comment pages constitute the comments of the Town of Blanchard on EPA's proposal for regulating CO2 emissions from power plants in Louisiana.

We are interested in reasonable and necessary environmental improvements that protect Louisiana citizens while jobs are sustained and new ones are created in a growing energy-intensive manufacturing and agriculture-based economy. The economy that we have helped build relies on affordable, reliable electricity from a carefully planned and developed mix of fuels. For the reasons stated in the attached comment pages, EPA's proposal, if finalized, would cause unacceptable risks to the state's electricity system and the benefits it provides. The resolution requests that EPA withdraw its proposal and redo it, within the limited legal authority

we believe the Clean Air Act allows and without intruding on the sovereign authority of the state to determine how electricity is generated and distributed to its citizens, businesses, and farmers.  
Sincerely,  
Johnny Digilormo, Mayor

**Report of Departments**

Motion by Lee to dispense with Report of Departments. Second by Jones. All voted yea.

**Comments by the Mayor**

None. Motion by Lee to adjourn, second by Jones. All voted yea. Meeting adjourned 7:09 p.m.

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Johnny Digilormo, Mayor

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Debra Smith, Town Clerk