

The following ordinance, having been introduced at a meeting held on November 11, 2008, and notice of its introduction having been published in the official journal and a public hearing having been held in connection therewith on this date, was offered for final adoption by Marvin Davis and seconded by Frances Womack:

ORDINANCE 12-127

An ordinance providing for the incurring of debt and issuance, execution, negotiation, sale and delivery of One Hundred Seventy-Nine Thousand Dollars (\$179,000) of Certificates of Indebtedness, Series 2009, of the Town of Chatham, State of Louisiana; prescribing the form, terms and conditions of said Certificates; providing for the payment thereof in principal and interest; providing for the acceptance of offers for the purchase of said Certificates; and providing for other matters in connection therewith.

WHEREAS, the Budget for Fiscal Year 2009 for the Town of Chatham, State of Louisiana, shows an excess of revenues (including the balances brought forward) over statutory, necessary and usual charges and all other expenses for such fiscal year sufficient to meet the maximum principal and interest requirements in any future year on the Certificates of Indebtedness authorized herein, and this Mayor and Board of Aldermen will herein obligate itself and its successors in office to budget and set aside annually adequate funds for the payment of said Certificates of Indebtedness in principal and interest in future years; and

WHEREAS, Sections 2921 to 2925, inclusive, of Title 33 of the Louisiana Revised Statutes of 1950, as amended (R.S. 33:2921-2925) (the "Act"), authorize the Issuer to make and enter into contracts dedicating the excess of annual revenues of subsequent years above statutory, necessary and usual charges to the payment of the cost of public improvements and other obligations which are to be borne by the Issuer under such contracts, provided all such dedications do not exceed the estimated excess of revenue above statutory, necessary and usual charges for the year in which such contract is made; and

WHEREAS, the Issuer now desires to incur debt and issue One Hundred Seventy-Nine Thousand Dollars (\$179,000) of its Certificates of Indebtedness, Series 2009, in the manner authorized and provided by the Act for the purposes hereinafter provided; and

WHEREAS, the Issuer is not now a party to any contract pledging or dedicating its excess annual revenues above statutory, necessary and usual charges;

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

SECTION 1. As used herein, the following terms shall have the following meanings, unless the context otherwise requires:

"Certificate" means any Certificate of Indebtedness of the Issuer authorized to be issued by this Ordinance.

"Certificates" means the Certificates of Indebtedness, Series 2009, of the Issuer, issued by this Ordinance, in the total aggregate principal amount of One Hundred Seventy-Nine Thousand Dollars (\$179,000).

"Certificate Register" has the meaning stated in Section 4.

"Executive Officers" means, collectively, the Mayor and the Clerk of the Issuer.

"Fiscal Year" means the one year accounting period ending June 30 of each year, or such other period as may be designated by the Governing Authority as the fiscal year of the Governing Authority.

"Governing Authority" means the Mayor and Board of Aldermen of the Town of Chatham, State of Louisiana.

"Issuer" means the Town of Chatham, State of Louisiana.

"Ordinance" means this ordinance authorizing the issuance of the Certificates.

"Owner" or **"Owners"** when used with respect to any Certificate means the person in whose name the Certificate is registered in the Certificate Register.

"Paying Agent" means Peoples Bank, in the Town of Chatham, Louisiana, for the interest bearing Certificates and any replacements therefor and the Clerk of the Issuer for non-interest bearing Certificates and any replacements therefor or such successors as may be named by the Governing Authority.

"Purchaser" means (a) with respect to interest bearing Certificates, Peoples Bank, in the Town of Chatham, Louisiana, and (b) with respect to the non-interest bearing Certificates, the Louisiana Public Facilities Authority, in the City of Baton Rouge, Louisiana.

SECTION 2. In compliance with the terms and provisions of the Act, and other constitutional and statutory authority and subject to the approval of the Louisiana State Bond Commission, there is hereby authorized the incurring of an indebtedness of One Hundred Seventy-Nine Thousand Dollars (\$179,000) for, on behalf of, and in the name of the Issuer, to provide funds to construct, furnish and equip a building for the Issuer to be used to house a rural health clinic and to pay costs of issuance of the Certificates; and to represent said indebtedness, this Governing Authority does hereby authorize the issuance of One Hundred Seventy-Nine Thousand Dollars (\$179,000) of Certificates of Indebtedness, Series 2009, of the Issuer. The Certificates shall be in fully registered form, shall be dated the date of delivery thereof and shall be numbered R-1 upwards. The Certificates shall bear interest from the date thereof or from the most recent interest payment date to which interest has been paid or duly provided for said interest being payable semiannually on January 1 and July 1 of each year, commencing

July 1, 2009, at the interest rates per annum set forth below and shall mature January 1 of each of the years as follows:

<u>CERTIFICATE NUMBER</u>	<u>YEAR (JANUARY 1)</u>	<u>PRINCIPAL MATURING (DENOMINATIONS)</u>	<u>INTEREST RATE</u>
R-1	2010	\$10,000	2.30%
R-2	2010	5,000	0.00
R-3	2011	10,000	2.60
R-4	2011	5,000	0.00
R-5	2012	11,000	2.85
R-6	2012	5,000	0.00
R-7	2013	11,000	3.15
R-8	2013	5,000	0.00
R-9	2014	11,000	3.35
R-10	2014	6,000	0.00
R-11	2015	18,000	3.60
R-12	2016	19,000	3.85
R-13	2017	20,000	4.10
R-14	2018	21,000	4.45
R-15	2019	22,000	4.95

The principal of the Certificates, upon maturity or redemption, shall be payable at the principal office of the appropriate Paying Agent, upon presentation and surrender thereof, and interest on the Certificates shall be payable by check mailed by the appropriate Paying Agent to the Owner (determined as of the close of business on the Record Date) at the address shown on the appropriate Certificate Register. Each Certificate delivered under this Resolution upon transfer of, in exchange for or in lieu of any other Certificate shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Certificate, and each such Certificate shall bear interest (as herein set forth) so neither gain nor loss in interest shall result from such transfer, exchange or substitution.

No Certificate shall be entitled to any right or benefit under this Ordinance or be valid or obligatory for any purpose, unless there appears on the Certificate a certificate of registration, substantially in the form provided in this Ordinance, executed by the appropriate Paying Agent by manual signature.

SECTION 3. The Certificates are callable for redemption at the option of the Issuer in full or in part at any time, and, if in part, in inverse order of maturity, at the principal amount thereof, plus accrued interest to the date of redemption. Official notice of such call of any of the Certificates for redemption shall be given by means of first class mail, postage prepaid, by notice deposited in the United States mail not less than fifteen (15) days prior to the redemption date addressed to the Owner of each Certificate to be redeemed at his address as shown on the registration books of the Paying Agent.

SECTION 4. The Issuer shall cause to be kept at the principal office of each Paying Agent a register (the "Certificate Register") in which registration of the appropriate Certificates and transfers thereof shall be made as provided herein. The Certificates may be transferred, registered and assigned only on the appropriate Certificate Register and such registration shall be at the expense

of the Issuer. No transfer shall be valid unless made in the appropriate Certificate Register and similarly noted on the back of such Certificate.

SECTION 5. The Certificates and the endorsements to appear thereon shall be in form acceptable to the purchasers thereof and the Executive Officers as they may be advised by legal counsel and shall be signed by the Executive Officers for, on behalf of, in the name of and under the corporate seal of the Issuer.

SECTION 6. The Certificates shall be secured by and payable solely from a pledge and dedication of the excess of annual revenues of the Issuer, above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding. There is hereby irrevocably pledged and dedicated to the payment of the Certificates an amount of such excess of annual revenues sufficient to pay same in principal and interest as they respectively mature. Until the Certificates have been paid in full in principal and interest, this Governing Authority does hereby obligate the Issuer, itself and its successors in office, to budget annually a sum of money sufficient to pay the Certificates and the interest thereon as they respectively mature, including any principal and/or interest theretofore matured and then unpaid, and to levy and collect in each year revenues within the limits prescribed by law sufficient to pay the principal of and interest on the Certificates after payment in such years of all the statutory, necessary and usual charges of the Issuer for the then current year, and no further or additional pledges or dedications of the aforesaid excess of annual revenues shall be made which shall have priority over or parity with the pledge and dedication of such revenues herein made.

For the payment of the principal of and the interest on the Certificates, there is hereby created a special fund to be known as "Certificates of Indebtedness, Series 2009, Sinking Fund", said Sinking Fund to be established with the regularly designated fiscal agent bank of the Issuer. The Issuer shall deposit in said Sinking Fund monthly in advance on or before the 20th day of each month, commencing the first 20th day of a month following the delivery of the Certificates, a sum equal to the principal and interest accruing on the Certificates during such month, together with such additional proportionate sum as may be required to pay said principal and interest as the same fall due. Said fiscal agent bank shall make available from said Sinking Fund to the Owners at least one (1) day in advance of the date on which each payment of principal and interest falls due, funds fully sufficient to pay promptly the principal and interest falling due on such date

It shall be specifically understood and agreed, however, and this provision shall be a part of this contract, that as long as the monthly payments described in this Section are current and the fiscal year budget projects sufficient revenues to make the remaining monthly payments into the Sinking Fund for such fiscal year, then any excess of annual revenues remaining in that fiscal year shall be free for expenditure by the Issuer for any other lawful corporate purpose.

All moneys deposited with the regularly designated fiscal agent bank of the Issuer or the Paying Agent under the terms of this Ordinance shall constitute sacred funds for the benefit of the Owners and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

All or any part of the moneys in the Sinking Fund shall, at the written request of the Issuer, be invested in accordance with the provisions of the laws of the State of Louisiana, in which event all income derived from such investments shall be added to the General Fund of the Issuer.

SECTION 7. Until the Certificates have been paid in full in principal and interest, this Governing Authority shall prepare and adopt a budget at the beginning of each fiscal year. No later than six (6) months after the close of each Fiscal Year in which an audit is required by State law, the Issuer shall cause an audit of its books and accounts to be made by the Legislative Auditor or by an independent firm of certified public accountants showing the receipts and disbursements made by the Issuer during the previous Fiscal Year. Such budget and audit shall be furnished to the Owners upon request.

SECTION 8. The Executive Officers are hereby empowered, authorized and directed to do any and all things necessary and incidental to carry out the provisions of this Ordinance, to cause the necessary Certificates to be printed or lithographed, to issue, execute, sign and seal the Certificates, and to effect delivery thereof as hereinafter provided. The proceeds derived from the sale of the Certificates shall be expended only for the purpose for which the Certificates are issued.

SECTION 9. The Certificates shall constitute legal, binding and valid obligations of the Issuer and shall be the only representation of the indebtedness as herein authorized and created.

SECTION 10. The Issuer shall issue no other certificates or obligations of any kind or nature payable from or enjoying a lien on the revenues of the Tax having priority over or parity with the Certificates, except that additional certificates may hereafter be issued on a parity with the Certificates under the following conditions:

- (1) The Certificates herein authorized or any part thereof, including the interest thereon, may be refunded, and the refunding certificates so issued shall enjoy complete equality of lien with the portion of the Certificates which is not refunded, if there be any, and the refunding certificates shall continue to enjoy whatever priority of lien over subsequent issues may have been enjoyed by the Certificates refunded; provided, however, that if only a portion of the Certificates outstanding is so refunded and the refunding certificates require total principal and interest payments during any year in excess of the principal and interest which would have been required in such year to pay the Certificates refunded thereby, then such Certificates may not be refunded without the consent of the Owner of the unrefunded portion of the Certificates issued hereunder (provided such consent shall not be required if such refunding certificates meet the requirements set forth in clause 2 of this Section).
- (2) Additional certificates of indebtedness may be issued on and enjoy a full and complete parity with the Certificates with respect to the excess of annual revenues, provided that the anticipated excess of annual revenues in the calendar year in which the additional certificates of indebtedness are to be issued, as reflected in the budget adopted by the Issuer, must be at least to the combined principal and interest requirements for any calendar year on the Certificates and the said additional certificates of indebtedness and the Prior Lien Certificates.
- (3) Junior and subordinate certificates of indebtedness may be issued without restriction.

(4) The Issuer must be in full compliance with all covenants and undertakings in connection with the Certificates and there must be no delinquencies in payments required to be made in connection therewith.

(5) The additional certificates must be payable as to principal on January 1st of each year, commencing not more than 3 years from the date thereof, and payable as to interest on January 1 and July 1 of each year.

SECTION 11. The provisions of this Ordinance shall constitute a contract between the Issuer, or its successor in law, and the Owners from time to time of the Certificates, and the provisions of such contract shall be enforceable by appropriate proceedings to be taken by such Owners, either at law or in equity. No material modification or amendment of this Ordinance, or any ordinance or resolution or enactment amendatory hereof or supplemental hereto, may be made without the consent in writing of the Owners.

SECTION 12. The Certificates, when surrendered for payment or prepayment in full, shall be promptly cancelled by the Paying Agent or the Issuer and shall be disposed of as directed in writing by the Issuer.

SECTION 13. The Clerk of the Issuer is hereby authorized on behalf of the Issuer to accept the offers of the Purchasers for the purchase of the Certificates which are on file with the Secretary. The Certificates shall be delivered upon payment therefor of the principal amount of the Certificates.

SECTION 14. The Issuer will at all times maintain a Paying Agent for the performance of the duties hereunder. The designation of the initial Paying Agents in this Ordinance is hereby confirmed and approved. The Issuer reserves the right to appoint successor Paying Agents.

SECTION 15. This Governing Authority having investigated the regularity of the proceedings had in connection with the Certificates and having determined the same to be regular, the Certificates shall contain the following recital, to-wit:

"It is certified that this Certificate is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of Louisiana".

SECTION 16. 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 Internal Revenue Code of 1986 and any amendment thereto (the "Code") in order to establish, maintain and preserve the exclusion from "gross income" of interest on the Certificates 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 Certificates 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 Certificates to be "arbitrage bonds" or would result in the inclusion of the interest on any of the Certificates in gross income under the Code, including, without limitation, (i) the failure to comply with the limitation on investment of Certificate proceeds or (ii) the failure to pay any required rebate of arbitrage earnings to the United States of America or (iii) the use of the proceeds of the Certificates in a manner which would cause the Certificates to be "private activity bonds".

The Certificates are designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. In making this designation, the Issuer finds and determines that:

- (a) the Certificates 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 2009 will not exceed \$10,000,000.

The Executive Officers are hereby empowered, authorized and directed to take any and all action and to execute and deliver any instrument, document or certificate necessary to effectuate the purposes of this Section.

SECTION 17. This Governing Authority finds and determines that a real necessity exists for the employment of special bond counsel in connection with the issuance of the Certificates, and the law firm of Foley & Judell, L.L.P., Bond Counsel, is hereby employed as Bond Counsel to do and perform special comprehensive legal and coordinate professional work with respect to the negotiation, sale, issuance and delivery of the Certificates. The fee of Foley & Judell, L.L.P., in connection with said program of finance is hereby established and fixed, at a sum permitted under the Attorney General's approved schedule for comprehensive bond counsel service for revenue bonds, based upon the total amount of Certificates actually issued, sold and delivered, plus "out-of-pocket" expenses. A certified copy of this Ordinance shall be forwarded to the Attorney General of the State of Louisiana for his approval of the employment herein provided for.

SECTION 18. A copy of this Ordinance shall be published after its adoption in one (1) issue of the official journal of the Issuer.

SECTION 19. It is recognized that the Issuer will not be required to comply with the continuing disclosure requirements described in Rule 15c2-12(b) of the Securities and Exchange Commission [17 CFR §240.15c2-12(b)], because the principal amount of the Certificate is less than \$1,000,000.

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

SECTION 21. This ordinance shall become effective immediately upon its adoption and approval by the Mayor.

The final adoption of the foregoing ordinance having been duly moved and seconded, the roll was called and the following vote was taken and recorded:

<u>Member</u>	<u>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstaining</u>
Claudean Cartwright			x	
Marvin A. Davis	x			
H.H. McConnell			x	
Sue Richardson Proffer	x			
Frances Womack	x			

There being a favorable vote on the ordinance of at least a majority of the authorized members of the Issuer, the ordinance was declared adopted on this the 9th day of December, 2008.

Lynette Robert
Clerk

Presented to Mayor on December 9, 2008 for action as evidenced by his signature:

Approved: [Signature]

Disapproved: _____

Presented to Clerk on December 9, 2008

No. 382796 Filed for Record Conveyance
 Book No. 410 Page 221
 At Dec. 10 2008
 At 2:51 O'Clock P. M.
 I hereby certify that the within and foregoing is a true and correct copy of the original now on file in my office, together with all of the endorsements thereon.
 Witness my official signature and seal of office on this the 10 day of Dec. A.D., 2008
[Signature]
 Clerk of Court, Jackson Parish, Louisiana