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Executive Orders

EXECUTIVE ORDER

Executive Order DCT 81-2

WHEREAS, it is incumbent upon the Governor of Louisiana to promote reduced energy consumption in state-owned and state-leased buildings, not only to reduce expenditures for energy costs in the state's operating budget, but also to provide an example of energy conservation to the people of Louisiana; and

WHEREAS, the responsibility for the conservation of energy in such buildings is poorly defined despite being placed within the jurisdiction of the Department of Natural Resources by the Natural Resources and Energy Act of 1973; and

WHEREAS, a coordinated, statewide effort to encourage reduced energy consumption in such buildings is badly needed and should be administered equitably among the departments of state government; and

WHEREAS, the Division of Administration of the Office of the Governor is responsible for administering capital construction and maintenance of state-owned buildings and for the acquisitions of space in state-leased buildings;

NOW, THEREFORE, I, DAVID C. TREEN, Governor of the State of Louisiana, by authority of the powers vested in me by the Constitution and applicable statutes of Louisiana, do hereby order the following:

The Division of Administration shall be responsible for directing the review of energy utilization in state-owned and state-leased buildings, for the evaluation of energy conservation practices established within the state agencies, for directing the implementation of the energy conservation policy for the State of Louisiana; it shall establish and administer such guidelines as required to accomplish these objectives.

For the purposes of implementing reduction of energy use in all state buildings, all state department secretaries shall appoint one person to be responsible for energy conservation (preferably the Chief Operating Engineer in larger multiple occupancy buildings.) The department secretary will notify the Division of Administration of the responsible individual(s) name, mailing address, phone number and building(s) he is responsible for within 15 days of the date of this order.

All departments of state government shall provide information, and implement energy use reduction actions as directed by the Division of Administration.

The Division of Administration may enlist other departments to aid in implementing this directive and to aid in development of programs, and actions for legislative approval to further reduce energy use in state buildings both short-range and long-term.

The Division of Administration will conduct a statewide review of energy use and cost in state buildings. A consolidated annual report will be submitted to the Governor and to the Natural Resources Committees of the House and Senate.

IN WITNESS WHEREOF, I have hereunto set my hand officially and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this the 11th day of March, A.D., 1981.

David C. Treen
Governor of Louisiana

EXECUTIVE ORDER

Executive Order DCT 81-3

WHEREAS, during my administration, Louisiana has significantly increased opportunities for women to participate in the political process; and

WHEREAS, increasing the representation and participation of women as cabinet members and members of boards and commissions has helped to accomplish that end; and

WHEREAS, there continues to be a need for a method to recommend qualified women for responsible positions; and

WHEREAS, the continuation of a Louisiana Task Force for the Talent Bank of Women would help to fill that need, and the staff of the Women's Advocacy Bureau is capable of maintaining and administering the files of the Talent Bank of Women; and

WHEREAS, the important work of the Task Force for the Talent Bank of Women fully deserves renewed emphasis and revitalization in order to continue to provide benefits to all Louisianians;

NOW, THEREFORE, I, DAVID C. TREEN, Governor of Louisiana, by virtue of the authority vested in me as Governor, pursuant to the Constitution and applicable statutes of the State of Louisiana, do order as follows:

The reauthorization and continuation of the Louisiana Task Force for the purpose of assisting in the development of identifying qualified women for responsible positions on boards and commissions.

The Task Force shall assist the Women's Advocacy Bureau in the work of Talent Bank of Women.

The Task Force shall secure information concerning needs and opportunities and shall organize meetings for the purpose of this program.

The Task Force shall be headed by a chairman, a coordinator and twenty members appointed by the Governor, and who will serve without pay or other compensation. The coordinator shall select a working staff to assist the Task Force in the performance of these duties.

The Task Force shall continue under its present bylaws and rules of procedures for its operations.

IN WITNESS WHEREOF, I have hereunto set my hand officially and caused to be affixed the Great Seal of the State of Louisiana, at the Capitol, in the City of Baton Rouge, on this the 19th day of March, A.D., 1981.

David C. Treen
Governor of Louisiana

Rules

RULE

Department of Agriculture Dairy Stabilization Board

On recommendation of the Louisiana Dairy Stabilization Board, the Commissioner of Agriculture has adopted the following rule:

"Meeting Competition and Price Discrimination"

Sellers of dairy products in commerce shall not discriminate in price or service against buyers or between territories.

Before any seller sells or contracts to sell any dairy products in commerce at prices or with services less than the seller's prevail-

ing price or less than the price or service exacted by said seller elsewhere in Louisiana for the purpose of meeting competition, said seller shall submit said price designed to meet competition to the Board before offering or granting same, or as soon as is possible.

Upon verification of the existence of the competition that the above referred to seller is desirous of meeting the Board shall issue an approval for meeting same.

C. James Gelpi
Director-Attorney

RULE

**Department of Agriculture
Fertilizer Commission**

The Louisiana Department of Agriculture, Fertilizer Commission, pursuant to the authority contained in LSA 3:1312 and in accordance with Notice of Intent published on March 20, 1981, adopted Rules and Regulations governing the administration of the fertilizer regulatory program at a public hearing held on April 7, 1981, at 10:00 a.m. at the State Capitol, Baton Rouge, Louisiana. They may be viewed at the office of Mr. Barby Carroll, Harry D. Wilson Building, 223 L.S.U., Corner of Highland and the South Stadium or at the Department of the State Register, 1500 Riverside North, Baton Rouge, Louisiana 70804.

Bob Odom
Commissioner of Agriculture

RULE

**Department of Agriculture
Seed Commission**

The Louisiana Department of Agriculture, Seed Commission, pursuant to the authority contained in LSA 3:1433 and in accordance with Notice of Intent published on March 20, 1981, has adopted the following Rules and Regulations at a public hearing held on April 8, 1981, at 10:00 a.m. in House Committee Room 5 of the State Capitol, Baton Rouge, Louisiana:

Rules

Section I of Regulation 1 was amended to read as follows:

“Application for certification of seed oats shall be made on or before July 15 of each year, on forms to be provided by the Department.”

* * * *

Section I of Regulation 2 was amended to read as follows:

“Application for certification of seed oats shall be made on or before July 15 of each year, on forms to be provided by the Department.”

* * * *

Section I of Regulation 10 was amended to read as follows:

“Application for certification of seed rice shall be made on or before July 15 of each year on forms to be provided by the Department.”

* * * *

Section I of Regulation 16 was amended to read as follows:

“Application for certification of wheat seed shall be made on or before April 15 of each year, on forms to be provided by the Department.”

Subsection C of Section I of Regulation 29 was amended to read as follows:

“C. “Lot” shall mean the permanent identity given to a certain quantity of seed entered for certification, which is uniform

in its quality and has been field inspected and found to meet the field standards for its class of certified seed.”

* * * *

Subsection A of Section IV of Regulation 29 was amended to read as follows:

“A. Before any seed sold as certified seed leaves the premises of the certified grower or processor of certified seed, each bag must be tagged and the lot numbers on the certified tags must conform to the lot numbers already marked on the bags.”

* * * *

Subsection A of Section VIII of the Rules and Regulations of the Seed Law was amended to read as follows:

“A. A grower of certified seed shall submit an application fee of \$10.00 per crop for the first variety, and an application fee of \$2.50 for each additional variety. A grower of certified seed shall pay a fee of \$100.00 for each crop kind application submitted after the filing date established in the applicable certified seed regulations for each crop kind.”

* * * *

Subsection C of Section VIII of the Rules and Regulations of the Seed Law was amended to read as follows:

C. A person shall pay for laboratory services as follows:

1. Laboratory fees - Certified Seed Per Sample

Germination	\$1.50
Purity	\$1.50

For uncleaned seed, the fee for germination is \$2.00 per sample. No purity analysis will be run on uncleaned seed at these rates.

2. Laboratory fees Per Sample

Service Seed (Small Seed)	
Germination	\$3.50
Purity	\$4.00

For each sample of a mixture of small seed, if it can be separated, the fee for germination is \$5.00 and for purity is \$6.00. No purity analysis will be run on uncleaned seed at these rates.

3. Laboratory fees - Per Sample

Service Seed (Large Seed)	
Germination	\$3.00
Purity	\$3.00

For each sample of a mixture of large seed, if it can be separated, the fee for germination is \$4.00 and for purity is \$4.00. No purity analysis will be run on uncleaned seed at these rates.

4. Vigor Tests Per Sample

Accelerated Aging	\$10.00
Tetrazolium	
Small Seed	\$8.00
Large Seed	\$6.00
Texas Cool Test	\$5.00
Cold Test	\$5.00

5. Laboratory fees - Special Requests for Purity Analysis on Uncleaned Seed, Either Certified or Service Seed: Fee per sample is double that rate for cleaned seed.

* * * *

Section VIII of the Rules and Regulations of the Seed Law was amended by adding thereto a new Subsection D, to read as follows:

“D. Collecting Service Seed Samples:

Upon request, service samples will be collected by authorized seed inspection personnel; however, said samples collected shall not exceed five per year for each individual, firm, or corporation.”

* * * *

Section VIII of the Rules and Regulations of the Seed Law was amended by adding thereto a new Subsection E, to read as follows:

"E. A grower of certified seed shall pay a fee of six cents per tag required for all certified seed sold by the grower."

* * * *

The Certified Seed Regulation Governing Certification of Seed Rice in Bulk, adopted by the Commission, on October 20, 1979, was repealed in its entirety.

Bob Odom
Commissioner of Agriculture

RULE

**Department of Commerce
Office of Financial Institutions**

Under authority granted by R.S. 6:902B, the Commissioner of Financial Institutions hereby amends the following sections of a rule pertaining to Renegotiable Rate Mortgages that was published on pages 720 and 721, Volume 6, Number 12, *Louisiana Register* dated December 20, 1980.

Rule

On December 20, 1980, the Commissioner of Financial Institutions published a rule on pages 720 and 721, Volume 6, Number 12, *Louisiana Register*, authorizing State Chartered Savings and Loan Associations to make, purchase, and participate in Renegotiable Rate Mortgage Instruments authorized Federal Associations by Federal Home Loan Bank Board Regulation 545.6-4a. On September 30, 1980 and December 4, 1980, the Federal Home Loan Bank Board amended certain sections of Regulation 545.6-4a, to read as follows:

545.6-4a - Renegotiable Rate Mortgage Instruments

(a) Authorization. * * * *

(b) Description. For purposes of this Section, a Renegotiable Rate Mortgage loan is a loan (1) issued for a term of three, four or five years and automatically renewable at equal intervals except as provided in Subparagraph (c)(1) of this section or (2) issued for a single term and providing for adjustment of the interest rate at intervals of three, four or five years except as provided in Subparagraph (c)(1) of this section. The loan must be repayable in equal monthly installments of principal and interest during the loan term or adjustment period in an amount at least sufficient to amortize a loan with the same principal and at the same interest rate over the remaining term of the mortgage. At renewal or adjustment, no change other than in the interest rate (and, correspondingly, in the monthly installment amount) may be made in the terms or conditions of the loan. Prepayment in full or in part of the loan balance secured by the mortgage may be made without penalty at any time after the beginning of the minimum notice period for the first renewal or adjustment, or at any earlier time specified in the loan contract.

* * * * *

(e) If the loan is structured as a renewable, short term note, at least ninety and not more than one-hundred twenty days before the due date of the note, the association shall send written notification in the following form to the borrower:

Notice

The interest rate on your loan with _____ Federal Savings and Loan Association, secured by a (mortgage/deed of trust) on property located at _____ (address) _____, is scheduled to be adjusted on * * * * *

(f) Application disclosure. * * * *

(As the borrower, you have the right to decline the lender's offer of renewal. If you decide not to renew, you will have to pay off the remaining balance of the mortgage. Even if you decide to

renew, you have the right to prepay the loan in part or in full without penalty at any time after the beginning of the notice period for the first renewal. To give you enough time to make this decision, the lender, at least ninety but not more than one-hundred twenty days before renewal, will send a notice stating the due date of the loan, the principal balance as of that date, the new interest rate and the monthly payment amount. If you elect not to pay the loan in full by the due date, the loan will be automatically renewed at the new rate. You will not have to pay any fees or charges at renewal time.) (As the borrower, you have the right to prepay the loan in part or in full without penalty at any time after the beginning of the notice period of the first interest rate adjustment. To give you enough time to make this decision, the lender, at least ninety but not more than one-hundred twenty days before interest rate adjustment, will send a notice stating the date of adjustment, the principal balance as of that date, the new interest rate and the monthly payment amount. If you elect not to pay the loan in full by the due date, the interest rate will be adjusted to the new rate. You will not have to pay any fees or charges at the time of interest rate adjustment.)

* * * * *

This rule is intended to allow State Chartered Savings and Loan Associations to operate on an equal competitive basis with Federal Savings and Loan Associations.

The validity of Renegotiable Rate Mortgage Instruments under Louisiana Law has been affirmed by Attorney General Opinion No. 80-565 dated August 20, 1980.

Hunter O. Wagner, Jr.
Commissioner of Financial Institutions

RULE

**Department of Commerce
Office of Financial Institutions**

Under authority granted by R.S. 6:902 B, the Commissioner of Financial Institutions adopts the following rule for the purpose of providing a means by which state chartered savings and loan associations may have authority consistent with that granted federal associations by letter from Arthur W. Leibolk, Jr., general counsel, Federal Home Loan Bank Board, May 15, 1969; letter from Charles E. Allen, general counsel, Federal Home Loan Bank Board, November 4, 1975; and letter from Anne P. Jones, general counsel, Federal Home Loan Bank Board, November 15, 1978.

Proposed Rule

Notwithstanding the limitations imposed by R.S. 6:833 A, state chartered savings and loan associations may make "wrap-around mortgage loans" as defined below:

1. Definitions

For the purpose of this rule, a "wrap-around mortgage loan" is defined as a mortgage loan on property subject only to an existing first mortgage which, for economic reasons, the borrower cannot, or does not wish to prepay; with the "wrap-around" new mortgage to be in an amount equal to the outstanding balance on the existing first mortgage loan plus the amount to be loaned by the new lender; with monthly payments to the new lender to be in the total an amount required to liquidate both loans; with the new lender transmitting the portion required on the first loan; and with the new lending association establishing an asset account consisting of the amount of the balance on the first lien account and concurrently a liability account descriptive of the first lien obligation. (Attorney General Opinion 80-734).

II. Accounting

The mortgage document should be written for the amount of the outstanding balance of the first lien plus the additional funds to be loaned to the borrower. This amount is set-up as a note receivable and cash would be credited by the amount of funds disbursed to the borrower. On the liability side of the ledger a note payable is established in the amount of the first lien. For example:

Tom Smith is purchasing a home carrying an assumable mortgage of \$40,000 with a remaining term of 20 years; rate 11.0 percent and payments of \$412.71. Tom requires an additional \$10,000 to purchase the home. You approve a \$50,000 wrap-around mortgage for 20 years with payments of \$526.33 at a combined rate of 11.3 percent. The balance sheet for this loan origination follows:

ASSETS		LIABILITIES	
Note receivable	\$50,000	Note payable (XYZ S&L)	\$40,000
Cash	(10,000)		
Total assets	\$40,000	Total liabilities	\$40,000

When Tom Smith's first monthly payment of \$526.33 is received, you apply the principal and interest against his indebtedness, and then forward the payment (needed to amortize the loan over its remaining term) of \$412.71 to XYZ Savings and Loan. The entry would be as follows:

ASSETS		LIABILITIES & CAPITAL	
Step 1			
Cash received	\$526.33	Interest income	\$470.83
Note receivable	(\$55.50)		
Step 2			
Cash	(\$412.71)	Note payable (XYZ S&L)	(\$46.06)
		Interest payable (XYZ S & L)	(\$366.65)

III. Pre-payment penalty provisions

The question of how to handle the prepayment penalty provisions of the first lien has been answered by the General Counsel of the Federal Home Loan Bank Board, which stated that prepayment penalties, like foreclosure expenses, may be treated as part of the borrower's liability on the note secured by the wrap-around lien. Thus, for the purpose of wrap-around loans, it is not necessary to account for the prepayment penalties in advance.

IV. Loan to value ratios

The loan to value ratio on residential and non-residential real estate loans presently authorized by each state chartered savings and loan association's approved lending plan will apply to "wrap-around mortgage loans."

V. Certificate of title

The certificate of title by the association's attorney should describe the "wrap-around mortgage" as according "an inchoate first lien." (Attorney General Opinion No. 80-734)

VI. Form Note and mortgage

Following is a sample note and mortgage that may be used in making "wrap-around mortgage" loans. These samples have been approved as to form and legality by Attorney General Opinion No. 80-734A.

NOTE

PARISH OF _____

US \$ _____

STATE OF LOUISIANA

(DATE)

FOR VALUE RECEIVED, the undersigned ("Borrower", whether one or more) promise to pay to _____, or order, the principal sum of _____ DOLLARS, with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of _____ percent per annum. Principal and interest shall be payable at _____ or such other place as the Note holder may designate, in consecutive monthly installments of _____ DOLLARS (US\$ _____), on the _____ day of each month, beginning _____, 19____. Such monthly installments shall continue until the entire indebtedness evidenced by this Note is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on _____.

If any monthly installment under this Note is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding and accrued interest thereon shall at once become due and payable at the option of the Note holder. The date specified shall not be less than ten days from the date such notice is mailed. The Note holder may exercise this option to accelerate during any default by Borrower regardless of any prior forbearance. If suit is brought to collect this Note, the Note holder shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, attorney's fees of _____ percent of the sums due hereunder.

Borrower shall pay to the Note holder a late charge of _____ percent of any monthly installment not received by the Note holder within _____ days after the installment is due.

Borrower may prepay the principal amount outstanding in whole or in part. The Note holder may require that any partial prepayments (i) be made on the date monthly installments are due and (ii) be in the amount of that part of one or more monthly installments which would be applicable to principal. Any partial prepayment shall be applied against the principal amount outstanding and shall not postpone the due date of any subsequent monthly installments or change the amount of such installments, unless the Note holder shall otherwise agree in writing. If, within five years from the date of this Note, Borrower make(s) any prepayments in any twelve-month period beginning with the date of this Note or anniversary dates thereof ("loan year") with money lent to Borrower by a lender other than the Note holder, Borrower shall pay the Note holder (a) during each of the first three loan years _____ percent of the amount by which the sum of prepayments made in any such loan year exceeds twenty percent of the original principal amount of this Note and (b) during the fourth and fifth loan years _____ percent of the amount by which the sum of prepayments made in any such loan year exceeds twenty percent of the original principal amount of this Note.

The total principal amount of this Note includes the unpaid balance of principal and interest in the sum of \$ _____ of one certain promissory note dated _____ in the original principal amount of \$ _____, made and executed by _____, to the order of _____ ("Included Note"), which Included Note is paraphed for identification with and secured by an act of mortgage of even date before _____, Notary Public, recorded in MOB _____, folio _____ of the mortgage

records of _____ Parish, Louisiana ("Included Mortgage"), which Included Mortgage is prior and superior to the Mortgage-securing this Note. So long as Borrower is not in default in the payment of principal and interest due hereunder, the holder of this Note shall pay, when due, the installments of principal and interest under the Included Note.

Nothing herein or in the Mortgage securing this Note shall be construed as an assumption by Maker of the Included Note.

Presentment, notice of dishonor and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors and endorsers and shall be binding upon them and their successors and assigns.

Any notice to Borrower provided for in this Note shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address stated below, or to such other address as Borrower may designate by notice to the Note holder. Any notice to the Note holder shall be given by mailing such notice by certified mail, return receipt requested, to the Note holder at the address stated in the first paragraph of this Note, or at such other address as may have been designated by notice to Borrower.

The indebtedness evidenced by this Note is secured by a Mortgage, dated _____ and reference is made to the Mortgage for rights as to acceleration of the indebtedness evidenced by this Note.

Property Address:

(Execute Original Only)

"NE VARIETUR" for identification with an act of mortgage passed this day before me, Notary.

_____, La. _____, 19__

NOTARY PUBLIC

MORTGAGE

ON THIS _____ day of _____, 19__ before me, _____, a Notary Public in and for the Parish of _____, State of Louisiana, and in the presence of the undersigned witnesses, appeared _____ (herein "Borrower"), a person(s) of the full age of majority and a resident(s) of said Parish and State, whose permanent mailing address is the Property Address stated below, who declared and acknowledged that Borrower is indebted to _____, a corporation organized and existing under the laws of _____ and whose permanent mailing address is _____ (herein "Lender"), in the principal sum of _____ DOLLARS, with interest on the outstanding principal balance at the rate of _____ percent per annum which indebtedness is evidenced by Borrower's note dated of even date herewith paraphed "Ne Varietur" by me, Notary, for identification herewith and delivered to Lender (herein "Note"), which Note provides for monthly installments of _____ Dollars of principal and interest payable on the _____ day of each month, beginning _____, 19____, with the balance of the indebtedness, if not sooner paid, due and payable on _____;

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances"), Borrower does hereby mortgage and hypothecate to Lender the following described property located in the Parish of _____, State of Louisiana:

which has the address of _____ (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property"

Borrower covenants that Borrower is lawfully seized of the estate hereby mortgaged and has the right to mortgage and hypothecate the Property, that the Property is unencumbered, other than by that certain act of mortgage granted by _____ in favor of _____ by act before _____, Notary Public, dated _____ and recorded in MOB _____ Folio _____ of the Mortgage records of _____ Parish, Louisiana, (herein "Included Mortgage") to secure the promissory note of _____ dated _____ in the original principal amount of \$ _____ to the order of _____ (herein "Included Note") to which reference is made and provision for the satisfaction of which are established hereafter, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower and Lender covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage.

2. FUNDS FOR TAXES AND INSURANCE. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance and flood insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution, the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and, unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise

acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. INCLUDED NOTE AND INCLUDED MORTGAGE. Included as a part of the principal balance due on the Note is the unpaid balance of principal and interest in the sum of \$ _____ due _____ (herein "Prior Mortgage"), the present holder of the Included Note, on the Included Note, which Included Note is secured by the Included Mortgage, which Included Mortgage is prior and superior to this Mortgage, but without there being any expressed or implied assumption of the Included Mortgage and the Included Note which it secures.

Borrower agrees to perform, observe and abide by all terms and conditions of the Included Mortgage and the Included Note, other than (i) the fixed payment of principal and interest upon the Included Note (which fixed payments are included in the payments required to be made to Lender by Borrower under the Note), and (ii) payment of deposits equivalent to the Funds referred to in paragraph 2 hereof, which payments are to be made to Lender as provided herein.

So long as Borrower is not in default in the payment of principal and interest under the Note as provided in paragraph 1, makes payment to Lender of all Funds required in paragraph 2 hereof and has not failed to cure the breach of any of Borrower's other covenants or agreements in this Mortgage after compliance by Lender with its duties under paragraph 18, then Lender shall pay, when due, the installments of principal and interest due under the Included Note together with all other Funds due thereon.

Should Lender fail, having timely received funds therefor, to pay any installment or principal and interest on funds due on the Included Note, Borrower may pay such installment or Funds directly to the Prior Mortgagee and the amount thereof shall be credited to the next following installment due under the Note.

Lender may, at any time and at its option, prepay all or any portion of the balance due on the Included Note, subject to the terms and conditions of the Included Mortgage, and thereby be subrogated unto all the rights of the Prior Mortgage under the Included Note and the Included Mortgage.

To the fullest extent that may be required or permitted by any applicable law, statute or regulation, or by the provisions of the Included Note and Included Mortgage or by the Prior Mortgagee, Borrower does hereby authorize and direct Prior Mortgagee (i) to receive from Lender all payments made by Lender on account of the Included Note and the Included Mortgage, (ii) to disclose to Lender upon its request all credit information concerning Borrower and the current status of the Included Note and Included Mortgage, (iii) to deliver to Lender, contemporaneously with delivery to Borrower, copies of all notices to which Borrower as owner of the Property may be entitled under the Included Note and Included Mortgage, and (iv) to accept performance and/or satisfaction by Lender of each and every obligation and duty incumbent upon the original maker of the Included Note and grantor of the Included Mortgage.

None of the foregoing shall be deemed to constitute any assumption by Lender of any obligation under the Included Note or the Included Mortgage in favor of the Prior Mortgagee or any other party or to impose upon Lender any duty or obligation unto Borrower other than to transmit to the Prior Mortgagee, in a timely manner, all installments of principal and interest and payments or deposits of Funds due under the Included Note and Included Mortgage for which Lender shall have received timely payment from Borrower.

4. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest and principal payable on the Included Note, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

5. CHARGES; LIENS. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof, or, if not paid in such manner, by borrower making payment when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and, in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, except the Included Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in such legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

6. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards, included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the total sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender and the Prior Mortgagee; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender and to the Prior Mortgagee. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of said premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Insurance proceeds shall be applied as required by the Prior Mortgage under the Included Mortgage; and if the Prior Mortgage requires no specific application of all or part of the proceeds, then, unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized, subject to the rights of the Prior Mortgagee, to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof, or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all rights, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

7. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of

any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, by-laws and regulations of the condominium or planned unit development and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

8. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such appearances disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Borrower shall be required to pay to Lender an amount (the "Prior Mortgage Insurance Premium") equal to the premium for all mortgage insurance required under the Included Mortgage and not previously paid by former owners of the Property. In addition, Borrower shall maintain such additional private mortgage insurance, insuring payment of the Note, as Lender shall require. Borrower shall pay the premiums for such additional private mortgage insurance and shall pay the Prior Mortgage Insurance Premium in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

10. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender subject to the rights of the Prior Mortgagee.

In the event of a total taking of the Property, the proceeds, subject to the rights of the Prior Mortgagee under the Included Mortgage shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If there is a partial taking of the Property, the proceeds shall be applied as required by the Prior Mortgagee under the Included Mortgage; and, with regard to any excess of such proceeds, there shall be applied to the sums secured by this Mortgage such proportion of the excess as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the excess, if any, paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

11. BORROWER NOT RELEASED. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

12. FOREBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

13. REMEDIES CUMULATIVE. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

14. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

15. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address as stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

Borrower and Lender agree to send promptly to each other, all notices received by them from the Prior Mortgagee.

16. BORROWER'S COPY. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation thereof.

17. TRANSFER OF PROPERTY; ASSUMPTION. If all or any part of the Property or an interest therein is sold, transferred or conveyed by Borrower without Lender's prior written consent, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 15 hereof. Such notice shall provide a period of not less than 10 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 13 hereof.

18. ACCELERATION; REMEDIES. Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, and to comply with all

the terms and conditions of the Included Note and the Included Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 15 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may cause the Property to be seized and sold under either ordinary or executory process, with or without appraisal, to the highest bidder for cash. Borrower hereby confesses judgment in favor of Lender and any future holder of the Note in the full amount of all sums secured by this Mortgage, including, but not limited to, attorney's fees of _____% of the sums due under the Note.

19. BORROWER'S RIGHT TO REINSTATE. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to the earlier to occur of (i) acceleration of the sums due on the Included Note by the Prior Mortgagee, unless such acceleration shall be due solely on account of the failure of Lender to remit to the Prior Mortgagee any sums due on the Included Note or under the Included Mortgage which were timely received by Lender from Borrower; or (ii) entry of a judgment by a Court enforcing this Mortgage or (iii) issuance of a writ of seizure and sale pursuant to court order if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof, or abandonment of the Property, Lender in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to the payment of the costs of management of the property and collection of rents including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

21. FUTURE ADVANCES. Lender may make advances to protect the security of this Mortgage pursuant to paragraph 8 hereof and, in addition, if this is a Vendor's Lien Mortgage, Lender may at Lender's option prior to release of this Mortgage and upon the request of Borrower, make Future Advances to Borrower. Such advances and Future Advances with interest thereon at the rate of _____ percent per annum shall be secured by this Mortgage. At no time shall the principal amount of the indebtedness secured by this Mortgage, including advances pursuant to paragraph 8 hereof and Future Advances made pursuant to this paragraph, if any, exceed the original amount of the note plus US\$_____.

22. RELEASE. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

23. VENDOR'S LIEN MORTGAGE. If Lender is a savings and loan association, the Note and other sums secured by this Mortgage shall be secured by a vendor's lien and privilege on and against the Property pursuant to the provisions of Louisiana Revised Statutes, Title 6, Section 833.

24. REASONABLE ATTORNEY'S FEES. "Reasonable attorney's fees" as used in paragraphs 8, 19 and 20 of this Mortgage shall mean a fee of _____% of all sums due under the Note.

25. WAIVER OF HOMESTEAD. Borrower and Borrower's spouse, if any, hereby waive all right of homestead exemption in the Property.

26. MORTGAGE AND CONVEYANCE CERTIFICATES. The production of Mortgage and Conveyance Certificates is waived by Lender and Borrower, who release me, Notary, from all liability for non-production.

27. LATE CHARGE. Borrower shall pay to Lender a late charge of _____ percent of any monthly installment of principal and interest as provided in the Note not received by Lender within _____ days after such installment is due.

28. MARITAL STATUS OF BORROWER. The marital status of Borrower is:

THUS DONE AND PASSED, on the _____ day of _____, 19____, before me, the undersigned Notary Public, qualified in said State and Parish, and in the presence of _____, the undersigned witnesses, who have signed with Lender, Borrower and me, the said Notary, after due reading of the whole.

WITNESSES:

Borrower

Borrower

LENDER:

BY: _____ NOTARY PUBLIC

Hunter O. Wagner, Jr.
Commissioner of
Financial Affairs