

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD A REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON FEBRUARY 17, 2015 AT 6:00 P.M. IN THE BOARDROOM OF SAID CITY.

THOSE PRESENT	MAYOR HAL MARX
ATTORNEY	TOM TYNER
ALDERMEN	BRAD AMACKER CRAIG BULLOCK DAVID CLAYTON TONY DUCKER WILLIAM KING CLINT MOORE STEVE STRINGER
OTHERS	VALERIE WILSON ADA MADISON LEWIS GARVIN AND MANY OTHERS

MAYOR MARX DECLARED A QUORUM PRESENT AND DECLARED THE CITY COUNCIL IN SESSION.

THE INVOCATION WAS OFFERED BY BRAD EUBANK

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR MARX PRESENTED THE AGENDA WITH THE FOLLOWING AMENDMENTS

PROCLAMATIONS & RESOLUTIONS

REQUEST TO ADOPT RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF COMBINED WATER/SEWER REFUNDING BONDS.

GENERAL BUSINESS

REQUEST TO ADDRESS THE BOARD REGARDING RETAIL COACH. (K COFER)

REQUEST FOR ADJUSTMENT TO WATER SERVICES BILLED TO 110 DENHAM DR IN THE AMOUNT OF \$48.00. (M MAGEE)

REQUEST FOR ADJUSTMENT TO WATER SERVICES BILLED TO 203 SUN CIRCLE IN THE AMOUNT OF \$125.00. (P CLARK)

REQUEST FOR ADJUSTMENT TO WATER SERVICES BILLED TO 87 KELLY ROSE LANE IN THE AMOUNT OF \$79.50. (J BYRD)

REQUEST FOR ADJUSTMENT TO PENALTIES BILLED TO 117 TRAILWOOD CIRCLE IN THE AMOUNT OF \$35.00. (D BIEL)

REQUEST TO SET A VARIANCE HEARING DATE OF MARCH 10, 2015 AT 6:00 P.M. FOR PROPERTY ON EVELYN GANDY PARKWAY (THE WHARF). (A HEATH)

REQUEST TO ACCEPT THE RESIGNATION OF RICKY KELLEY IN THE WATER DEPT EFFECTIVE FEBRUARY 18, 2015. (L CARRAWAY)

SEMINARS & TRAVEL

REQUEST FOR JAMES BUSBY TO ATTEND PRIVATE APPLICATOR CERTIFICATION IN NEW AUGUSTA, MS ON FEBRUARY 26, 2015 AT A COST OF \$10.00.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO APPROVE THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 3, 2015 AND THE SPECIAL MEETING OF FEBRUARY 9, 2015.

THEREUPON, ALDERMAN KING MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 3, 2015 AND THE SPECIAL MEETING OF FEBRUARY 9, 2015 AS WRITTEN. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX CALLED FOR PUBLIC COMMENT.

THEREUPON, KEN MYATT OF UNDERWOOD SMALL ENGINES ADDRESSED THE BOARD REGARDING THE RECENT MOWER PURCHASE. MR. MYATT EXPRESSED CONCERN OVER THE FAIRNESS OF THE TRANSACTION.

THEREUPON, VINT MATHIS OF AMERICAN SALVAGE ADDRESSED THE BOARD REGARDING THE RECENT MOWER PURCHASE. MR. MATHIS APPRECIATES THE BUSINESS AND HOPES TO DO MORE BUSINESS IN THE FUTURE.

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING PROCLAMATION FOR MEALS ON WHEELS

EXHIBIT "A"

PROCLAMATION

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ADOPT THE FOREGOING PROCLAMATION. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING RESOLUTION DESIGNATING HANCOCK BANK AS A DEPOSITORY FOR THE CITY OF PETAL

EXHIBIT "B"

RESOLUTION – HANCOCK BANK

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING RESOLUTION DIRECTING THE ISSUANCE OF COMBINED WATER/SEWER REFUNDING BONDS

EXHIBIT "C"

RESOLUTION – WATER/SEWER BONDS

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE BIDS RECEIVED FOR SURPLUS STREET EQUIPMENT

EXHIBIT "D"

BID TAB – STREET EQUIPMENT

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE BID FROM JEFF MARTIN FOR PURCHASE OF THE SURPLUS STREET EQUIPMENT AT A PRICE OF \$121,060.00. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX CALLED ON MAGNOLIA GREEN INDUSTRIES TO ADDRESS THE BOARD REGARDING BIODIESEL

THEREUPON, MR. GANYA WITH MAGNOLIA GREEN INDUSTRIES ADDRESSED THE BOARD REGARDING USING BIODIESEL IN SOME CITY EQUIPMENT.

WHEREAS, MAYOR MARX CALLED ON RETAIL COACH TO ADDRESS THE BOARD REGARDING RETAIL RECRUITMENT

THEREUPON, JOSEPH COON ADDRESSED THE BOARD REGARDING SERVICES OFFERED BY RETAIL COACH FOR RECRUITING RETAIL TO PETAL.

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO OBTAIN APPRAISALS AND ADVERTISE FOR BIDS ON CITY PROPERTY LOCATED AT 144 AND 148 W CENTRAL AVE..

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO OBTAIN APPRAISALS ON CITY PROPERTY LOCATED AT 144 AND 148 W CENTRAL AVE AND TO ADVERTISE FOR BIDS ON SAID PROPERTY. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO SET A VARIANCE HEARING DATE FOR PROPERTY LOCATED AT 111 SMITH ST.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO SET A VARIANCE HEARING DATE OF MARCH 24, 2015 AT 6:00 P.M. FOR PROPERTY LOCATED AT 111 SMITH ST. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION TO DENY A ZONING CHANGE FOR PROPERTY LOCATED AT 306 W CENTRAL AVE.

THEREUPON, ALDERMAN DUCKER MADE A MOTION TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION AND DENY A ZONING CHANGE FOR PROPERTY LOCATED AT 306 W CENTRAL AVE. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION TO GRANT A VARIANCE ALLOWING A FULL LED SIGN AT PARK PLACE PHARMACY

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ACCEPT THE PLANNING COMMISSION RECOMMENDATION AND GRANT A VARIANCE ALLOWING A FULL LED SIGN AT PARK PLACE PHARMACY. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ADVERTISE AND MAKE FINAL PAYMENT TO DUNN ROADBUILDERS IN THE AMOUNT OF \$103,846.64 FOR 2014 STREET OVERLAY

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADVERTISE AND MAKE FINAL PAYMENT TO DUNN ROADBUILDERS IN THE AMOUNT OF \$103,846.64 FOR 2014 STREET OVERLAY PER SHOWS, DEARMAN & WAITS RECOMMENDATION. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING PROOFS OF PUBLICATION

- NOTICE TO TAXPAYERS – GO REFUNDING BOND SERIES 2015

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE FOREGOING PROOFS OF PUBLICATION FOR FILING. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 2015

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 2015. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE REVENUE & EXPENDITURES REPORT FOR THE MONTH OF JANUARY 2015

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE REVENUE & EXPENDITURES REPORT FOR THE MONTH OF JANUARY 2015. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR ADJUSTMENT TO WATER SERVICES BILLED TO 110 DENHAM DR.

THEREUPON, ALDERMAN AMACKER NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE AN ADJUSTMENT TO WATER SERVICES BILLED TO 110 DENHAM DR IN THE AMOUNT OF \$48.00. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR ADJUSTMENT TO WATER SERVICES BILLED TO 203 SUN CIRCLE

THEREUPON, ALDERMAN KING NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE AN ADJUSTMENT TO WATER SERVICES BILLED TO 203 SUN CIRCLE IN THE AMOUNT OF \$125.00. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR AN ADJUSTMENT TO WATER SERVICES BILLED TO 87 KELLY ROSE LANE

THEREUPON, ALDERMAN KING NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE AN ADJUSTMENT TO WATER SERVICES BILLED TO 87 KELLY ROSE LANE IN THE AMOUNT OF \$79.50. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR ADJUSTMENT TO PENALTIES BILLED TO 117 TRAILWOOD CIRCLE

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE AN ADJUSTMENT TO PENALTIES BILLED TO 117 TRAILWOOD CIRCLE IN THE AMOUNT OF \$35.00. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO SET A VARIANCE HEARING DATE FOR PROPERTY LOCATED ON EVELYN GANDY PARKWAY

THEREUPON, ALDERMAN KING MADE A MOTION TO SET A VARIANCE HEARING DATE OF MARCH 10, 2015 A 6:00 P.M. FOR PROPERTY LOCATED ON EVELYN GANDY PARKWAY (THE WHARF LOCATION). ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE RESIGNATION OF RICKY KELLEY IN THE WATER DEPT

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE RESIGNATION OF RICKY KELLEY IN THE WATER DEPT EFFECTIVE FEBRUARY 18, 2015. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR JAMES BUSBY TO ATTEND PRIVATE APPLICATOR CERTIFICATION IN NEW AUGUSTA, MS ON FEBRUARY 26, 2015.

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE JAMES BUSBY TO ATTEND PRIVATE APPLICATOR CERTIFICATION IN NEW AUGUSTA, MS ON FEBRUARY 26, 2015 AT A COST OF \$10.00. ALDERMAN AMACKER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER TRANSFERRING TERRY MCLAURIN, JR TO FULL TIME IN THE RECREATION DEPT

ORDER

WHEREAS THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
HIRE A FULL TIME LABORER IN THE RECREATION DEPT

IT IS HEREBY ORDERED THAT TERRY MCLAURIN, JR
BE TRANSFERRED FROM PART TIME TO FULL TIME
LABORER IN THE RECREATION DEPT AT A RATE
OF \$9.00 PER HOUR EFFECTIVE FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER PROMOTING CRAIG LOCKE TO LIEUTENANT OF INVESTIGATIONS

ORDER

WHEREAS THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
PROMOTE CRAIG LOCKE

IT IS HEREBY ORDERED THAT CRAIG LOCKE
BE PROMOTED TO LIEUTENANT OF INVESTIGATIONS
AT A RATE OF \$19.47 PER HOUR EFFECTIVE
FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN
CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER PROMOTING KEN BULLOCK TO DETECTIVE
SERGEANT

ORDER

WHEREAS THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
PROMOTE KEN BULLOCK

IT IS HEREBY ORDERED THAT KEN BULLOCK
BE PROMOTED TO DETECTIVE SERGEANT
AT A RATE OF \$18.75 PER HOUR EFFECTIVE
FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN STRINGER
SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER PROMOTING MICHAEL STEVENS TO
DETECTIVE SERGEANT

ORDER

WHEREAS THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
PROMOTE MICHAEL STEVENS

IT IS HEREBY ORDERED THAT MICHAEL STEVENS
BE PROMOTED TO DETECTIVE SERGEANT
AT A RATE OF \$18.75 PER HOUR EFFECTIVE
FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MOORE
SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDER RAISING THE PAY OF ADAM WOODARD IN THE POLICE DEPT

ORDER

WHEREAS THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE PAY RATE OF ADAM WOODARD IN
THE POLICE DEPT

IT IS HEREBY ORDERED THAT ADAM WOODARD BE
RAISED TO \$16.18 PER HOUR EFFECTIVE FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDINANCE AMENDING THE FLOOD DAMAGE PREVENTION ORDINANCE

EXHIBIT "E"

ORDINANCE 2007 (6-2)

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDINANCE. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING ORDERS RAISING THE PAY RATE OF CERTAIN CITY EMPLOYEES

EXHIBIT "F"

ORDERS

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ADOPT THE FOREGOING ORDERS. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO CLEAR THE ROOM TO SEE THE NEED FOR EXECUTIVE SESSION.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO CLEAR THE ROOM TO DETERMINE THE NEED FOR EXECUTIVE SESSION. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ENTER INTO EXECUTIVE SESSION. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN KING SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

NO OFFICIAL ACTION WAS TAKEN DURING EXECUTIVE SESSION.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADJOURN THE REGULAR MEETING. ALDERMAN KING SECONDED THE MOTION.


THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

THERE BEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON FEBRUARY 17, 2015.



MAYOR HAL MARX

SEAL
ATTEST





MELISSA MARTIN, CITY CLERK

PROCLAMATION

EXHIBIT "A"

WHEREAS, *the MEALS ON WHEELS program at Christian Services, Inc. is a valuable resource to older adults and home bound individuals in the City of Petal MS and surrounding areas; and*

WHEREAS, *more than 78,000 plates through the MEALS ON WHEELS program were distributed to homebound people in the past year.*

WHEREAS, *volunteer drivers and churches for MEALS ON WHEELS are the backbone of this program through their dedication to bring not only hot, nutritious meals to clients, but also caring concern and attention to their welfare; and*

WHEREAS, *Christian Services, Inc. depends on these volunteers and the support of the community to serve the growing numbers of elders who need this service in order to remain in their homes; and*

WHEREAS, *we wish to raise awareness and support for MEALS ON WHEELS in Petal, MS and surrounding areas;*

NOW, THEREFORE, I, HAL MARX, MAYOR OF THE CITY OF PETAL, DO HEREBY PROCLAIM MARCH 1ST UNTIL MARCH 31ST, 2015, MARCH FOR MEALS MONTH,



and invite citizens to thank the caring and loyal volunteer drivers, recognize the value of this service to homebound individuals, and encourage citizens to volunteer and support Christian Services, Inc.'s MEALS ON WHEELS "So No Senior Goes Hunger" Campaign.

CITY OF PETAL, MS



Honorable Hal Marx, Mayor

EXHIBIT "B"

Account Number _____ "Account"

RESOLUTION OF A STATE OR LOCAL GOVERNMENT OPERATING UNDER AUTHORITY OF A
BOARD, COUNCIL OR OTHER TYPE GOVERNING BODY

Hancock Bank, a trade name of Whitney Bank

Branch Name _____

Name/User ID _____

City of Petal
P.O. Box 564
Petal, MS 39465
City, State, and Zip Code

A. We, the undersigned, certify that we are the President and Secretary/Clerk of the above-named State or Local Government (hereinafter referred to as the Governing Authority*) duly created, organized, and operating under the Constitution and Laws of the State of MS, Federal Employer ID Number 640915375, and, that the following is a true, correct, and certified copy of a resolution adopted at a meeting of the Governing Authority, properly called and duly held on 2/17/15 and, that this resolution has been properly entered into the minutes of the Governing Authority, having not been modified or rescinded.

B. To be resolved that

- (1) The Financial Institution named above is designated as a depository for the funds of this Governing Authority.
- (2) This resolution shall continue to have effect until express written notice of its recession, modification, or cancellation has been received and recorded by this Financial Institution.
- (3) All transactions, if any, with respect to any deposits, withdrawals, rediscounts and borrowings by or on behalf of the Governing Authority with this Financial Institution prior to the adoption of this resolution are hereby ratified, approved and confirmed.
- (4) Any of the persons named below, so long as they are acting in a representative capacity as agents of the Governing Authority, are authorized to make any and all contracts, agreements, stipulations and orders which they may deem advisable and necessary to open an Account(s) with the Financial Institution and for the effective exercise of powers over said account(s) for the transacting of all business concerning funds deposited in, moneys borrowed from, or other business transacted by and between this Governing Authority and said Financial Institution and; to endorse checks and orders for the payment of moneys and withdrawal of funds on deposit with this Financial Institution, subject to any restriction(s) stated below. The Governing Authority agrees to, shall be bound by, and otherwise be liable for, the terms and conditions of all such contracts, agreements, stipulations and orders. It shall be the responsibility of the Governing Authority to provide written notice to this Financial Institution should the authority of any of the agents it has so authorized to transact business on its behalf has been terminated. This Financial Institution shall incur no liability for acting in good faith upon the representations of said agents until such notice is properly given.
- (5) Any and all prior resolutions adopted by this governing authority and certified to this Financial Institution as governing the operation of the Governing Authority's account(s), are in full force and effect, unless supplemented or modified by this authorization.
- (6) The Governing Authority agrees to the terms and conditions of any account agreement, properly opened by any authorized representative of the Governing Authority and authorizes the Financial Institution named above, at any time, to charge the Governing Authority for all checks, drafts, or other orders, for the payment of moneys, drawn on the Financial Institution.

C. Print the name(s) and title(s) of any person who is authorized to exercise the powers listed below

Melissa Martin - City Clerk
Hal Marx - Mayor
Lynn Campfield - Deputy City Clerk
Steve Stringer - Alderman, Mayor Pro Temp

D. I further certify that the Governing Authority has, and at the time of adoption of this resolution did have, full power and lawful authority to adopt the foregoing resolution(s) and to confer the powers granted to the person(s) named herein;

IN WITNESS WHEREOF, we have hereunto affixed our signatures as of 2/18/15 (date)

EXHIBIT "C"

The Mayor and Board of Aldermen of the City of Petal, Mississippi (the "City"), took up for consideration the matter of adopting this sales parameter resolution and bond resolution in connection with the issuance of Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, of the City. After a discussion of the subject, Alderman King offered and moved the adoption of the following resolution:

RESOLUTION (I) AUTHORIZING AND DIRECTING THE ISSUANCE OF COMBINED WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2015 OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED SIX MILLION NINE HUNDRED THOUSAND DOLLARS (\$6,900,000) (THE "BONDS") TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (A)(1) THE REFINANCE, PREPAYMENT AND ADVANCE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING \$8,500,000 PROMISSORY NOTE (PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT), DATED FEBRUARY 1, 2006; AND THE SUBSEQUENT ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING \$8,500,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2006 (PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT), DATED FEBRUARY 1, 2006; AND (2) THE REFINANCE, PREPAYMENT AND ADVANCE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING \$6,500,000 PROMISSORY NOTE (PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT), DATED DECEMBER 13, 2007; AND THE SUBSEQUENT ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING \$6,500,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2007 (PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT), DATED DECEMBER 13, 2007; (B) FUNDING A DEBT SERVICE RESERVE FUND, INCLUDING THE PREMIUM FOR THE SURETY BOND, IF APPLICABLE, AND (C) PAYMENT OF COSTS OF ISSUANCE FOR THE BONDS, INCLUDING THE PREMIUM FOR THE BOND INSURANCE POLICY, IF APPLICABLE; (II) PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; (III) PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF THE COMBINED WATER AND SEWER SYSTEM OF THE CITY IN AN AMOUNT SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AND ANY PARITY INDEBTEDNESS; (IV) MAKING PROVISION FOR A DEBT SERVICE RESERVE FUND; (V) MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF SAID BONDS; AND (VI) FOR RELATED PURPOSES.

"Bond Year" shall mean the period commencing on the date of the delivery of the Bonds through July 1, 2015 and each twelve (12) month period thereafter, commencing with the period ending July 1, 2016, until final maturity of the Bonds

"Bondholder" or "Bondholders" or "Holder" or "Holders" or any similar term shall mean the registered owner of any Bond

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 3 herein.

"Callable Bonds" shall mean together, the Callable 2006 Bank Bonds and the Callable 2007 Bank Bonds.

"Callable 2006 Bank Bonds" shall mean the 2006 Bank Bonds which mature on July 1 in the years 2023 through 2031, both inclusive; or shall include such outstanding 2006 Bank Bonds maturing in the years as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

"Callable 2007 Bank Bonds" shall mean the 2007 Bank Bonds which mature on July 1 in the years 2023 through 2032, both inclusive; or shall include such outstanding 2007 Bank Bonds maturing in the years as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications)

"City" shall mean the City of Petal, Mississippi.

"Clerk" shall mean the City Clerk of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Consulting Engineer" shall mean any engineer or engineering firm subsequently employed for the System or for the purposes set out in the Bond Resolution.

"County" shall mean Forrest County, Mississippi

"Current Expenses" shall mean the reasonable and necessary current expenses of maintenance, repair and operation of the System and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Paying Agent, legal expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, and any other expense of the System required or permitted to be paid by the City under the provisions of the Bond Resolution or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the Series 2006 Debt Service Fund, the Series 2007 Debt Service Fund, the Series

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of said City of Petal, Mississippi, hereby finds, determines, adjudicates and declares as follows:

(a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" shall mean Sections 31-27-1 et seq., of the Mississippi Code of 1972, as amended and/or supplemented from time to time

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy or insolvency by or against the City under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body

"Authorized Officer" means the Mayor of the City, the Clerk of the City and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document

"Bank" shall mean the Mississippi Development Bank, a public body corporate and politic of the State of Mississippi, exercising essential public functions and organized under the provisions of the Sections 31-25-1 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subgrantee.

"Bond" or "Bonds" shall mean the not to exceed \$6,900,000 Combined Water and Sewer System Revenue Refunding Bonds, Series 2015 of the City authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi

"Bond Insurance Policy" if applicable, means the financial guaranty insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of the principal of and interest on the Bonds when due

"Bond Insurer" or "Insurer" if applicable, means the bond insurer of the Bond Insurance Policy, or any successor thereto or assignee thereof

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, by and between the City and the Underwriter, dated the date of sale of the Bonds.

"Bond Resolution" shall mean this resolution, as may be amended from time to time

2015 Debt Service Fund or the Debt Service Reserve Fund.

"Debt Service Reserve Fund" shall mean the debt service reserve fund provided for in the Bond Resolution securing the Bonds.

"Debt Service Reserve Requirement" means the lesser of the following: (i) the maximum amount of principal and interest becoming due in the current or any future bond year (meaning each one year period beginning on July 2 of one year and ending on July 1 of the following year, or such shorter period from the date of issuance of the Bonds to July 1, 2015), on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; or (iii) ten percent (10%) of the stated principal amount of such issue of Bonds, or if such issue of Bonds has more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, ten percent (10%) of the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations) of such issue of Bonds); which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility; provided, however, that upon initial issuance of the Bonds, the Debt Service Reserve Requirement will mean the amount set forth in (i) hereinafter and in future years if the amount of the Debt Service Reserve Requirement should equal an amount in excess of the lesser of (i), (ii) and (iii) above, the funds held in the Debt Service Reserve Fund will not be invested at a yield in excess of the yield on the Bonds. The initial deposit into the Debt Service Reserve Fund may be funded with a Surety Bond.

"Direct Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository

"DTC" means The Depository Trust Company.

"DTC participants" shall mean any participant for whom DTC is a Security Depository Nominee.

"Escrow Fund" shall mean together, the Escrow 2006 Fund and the Escrow 2007 Fund

"Escrow 2006 Fund" shall mean the Mississippi Development Bank Special Obligation Bonds Series 2006 (Petal, Mississippi Combined Water and Sewer System Project) Escrow Fund established pursuant to the 2006 Escrow Agreement to pay the principal of and interest on the Refunded 2006 Bank Bonds and the redemption price of the Callable 2006 Bank Bonds

"Escrow 2006 Requirement" shall mean the sale proceeds of the Bonds deposited in the Escrow 2006 Fund and used to refund the Refunded 2006 Bank Bonds as provided in the 2006 Escrow Agreement

"Escrow 2007 Fund" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project) Escrow Fund established pursuant to the 2007 Escrow Agreement to pay the principal of and interest on the Refunded 2007 Bank Bonds and the redemption price of the Callable 2007 Bank Bonds

"Escrow 2007 Requirement" shall mean the sale proceeds of the Bonds deposited in the Escrow 2007 Fund and used to refund the Refunded 2007 Bank Bonds as provided in the 2007 Escrow Agreement.

EXHIBIT "C"

"Governing Body" shall mean the Mayor and Board of Aldermen of the City.

"Indirect Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Direct Participant.

"Letter of Representations" shall mean the DTC Blanket Issuer Letter of Representations of the City.

"Mayor" shall mean the Mayor of the City.

"Net Revenues" shall mean all Revenues remaining after payment of Current Expenses.

"Other Revenues" shall mean the Tax Monies and the income or revenues, funds or monies of the City from any source other than the System pledged to the payment of the 2006 Note under the 2006 Loan Agreement and the 2007 Note under the 2007 Loan Agreement.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body to make payments of the principal of and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and for the performance of other duties, which Paying Agent will be specified in the Bond Purchase Agreement.

"Person" shall mean an individual, partnership, corporation, limited liability company, trust or unincorporated organization and a government or agency or political subdivision thereof.

"Pledged Net Revenues" shall mean all System Revenues remaining after payment of Current Expenses.

"Principal and Interest Requirements" for any Bond Year shall mean the sums sufficient for the payment of the principal of and interest on the Bonds, any parity bonds, including the 2006 Note and the 2007 Note, and subordinated indebtedness which will mature and accrue during such period.

"Project" shall mean providing funds for the (i) Refunding Project, (ii) funding the Debt Service Reserve Fund including the premium for the Surety Bond, if applicable, and (iii) paying the costs of issuance of the Bonds, including the premium for the Bond Insurance Policy, if applicable.

"Record Date" shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof or the date set for redemption.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Redemption Price" shall mean, with respect to a Bond, the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the provisions hereof.

"Reserve Fund Credit Facility" if applicable, means an irrevocable and unconditional letter of credit, insurance policy or surety bond, the terms of which have been approved by the City, issued by a bank or other financial institution, which is acceptable to the City.

"Revenues" shall mean together the System Revenues and the Other Revenues.

"Series 2006 Contingent Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2006 Loan Agreement for the 2006 Note.

"Series 2006 Debt Service Fund" shall mean the fund described in the Bond Resolution and provided for in the 2006 Loan Agreement for the 2006 Note.

"Series 2006 Operation and Maintenance Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2006 Loan Agreement for the 2006 Note.

"Series 2006 Revenue Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2006 Loan Agreement for the 2006 Note.

"Series 2006 Debt Service Reserve Fund" shall mean the fund described in the Bond Resolution securing the 2006 Bank Bonds under the 2006 Indenture.

"Series 2007 Debt Service Fund" shall mean the account described in the Bond Resolution and provided for in the 2007 Loan Agreement for the 2007 Note.

"Series 2007 Debt Service Reserve Fund" shall mean the fund described in the Bond Resolution securing the 2007 Bank Bonds under the 2007 Indenture.

"State" shall mean the State of Mississippi.

"Securities Depository" means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"Surety Bond" if applicable, means the Reserve Fund Credit Facility issued by the Bond issuer guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds.

"State" means the State of Mississippi.

"Surety Bond Policy" if applicable, shall mean the municipal bond debt service reserve insurance policy issued by the Surety Bond Provider, guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

"Refunded Bonds" shall mean together, the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds.

"Refunded Notes" shall mean together, the Refunded 2006 Note and the Refunded 2007 Note.

"Refunded 2006 Bank Bonds" shall mean the 2006 Bank Bonds which mature on July 1 in the years 2023 through 2031, both inclusive, or shall include such outstanding 2006 Bank Bonds maturing in the years as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), being advance refunded with a portion of the proceeds of the Bonds.

"Refunded 2006 Note" shall mean the principal installments of the 2006 Note maturing on July 1 in the years 2023 through 2031, both inclusive, being prepaid, such portion being identified in the Bond Purchase Agreement as the same amount in each year of the Refunded 2006 Bank Bonds being refunded with a portion of the proceeds of the Bonds.

"Refunded 2007 Bank Bonds" shall mean the 2007 Bank Bonds which mature on July 1 in the years 2027 through 2032, both inclusive, or shall include such outstanding 2007 Bank Bonds maturing in the years as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), being advance refunded with a portion of the proceeds of the Bonds.

"Refunded 2007 Note" shall mean the principal installments of the 2007 Note maturing on July 1 in the years 2027 through 2032, both inclusive, being prepaid, such portion being identified in the Bond Purchase Agreement as the same amount in each year of the Refunded 2007 Bank Bonds being refunded with a portion of the proceeds of the Bonds.

"Refunding Project" shall mean together, the Refunding 2006 Project and the Refunding 2007 Project.

"Refunding 2006 Project" shall mean providing funds for (i) the refinance, prepayment and advance refunding of the Refunded 2006 Note and (ii) the contemporaneous advance refunding of the Refunded 2006 Bank Bonds, including funds for the redemption of the Callable 2006 Bank Bonds at a redemption price of 102% plus accrued interest.

"Refunding 2007 Project" shall mean providing funds for (i) the refinance, prepayment and advance refunding of the Refunded 2007 Note and (ii) the contemporaneous advance refunding of the Refunded 2007 Bank Bonds, including funds for the redemption of the Callable 2007 Bank Bonds at a redemption price of 100% plus accrued interest.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the City maintained by the Transfer Agent.

"Surety Bond Provider" if applicable, shall mean the Bond Insurer.

"System" shall mean the combined water and sewer system of the City.

"System Revenues" shall mean all payments, proceeds, fees, charges, rents and all other income derived by or for the account of the City from its ownership and operation of the System, excluding all acreage, front-footage, assessment and similar fees and charges derived by the City in connection with the provision of or payment for capital improvements constituting a part of the System.

"Tax Monies" shall mean those funds pledged to the repayment of the (a) 2006 Note under the 2006 Loan Agreement pursuant to the Tax Intercept Agreement, dated February 1, 2006, by and between the City and the Bank, whereby the City covenanted, agreed and authorized the Mississippi Department of Revenue or any other State agency, department or commission to (1) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission created pursuant to State law, and (2) pay same over to the 2006 Trustee to satisfy any delinquent payment under the 2006 Loan Agreement; and (b) 2007 Note under the 2007 Loan Agreement pursuant to the Tax Intercept Agreement, dated December 13, 2007, by and between the City and the Bank, whereby the City covenanted, agreed and authorized the Mississippi Department of Revenue or any other State agency, department or commission to (1) withhold all or any part of any monies which the City is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi Department of Revenue or any other State agency, department or commission, created pursuant to State law, subject to the prior lien on the Tax Monies which may be withheld by the Mississippi Department of Revenue or any other State agency, department or commission pursuant to that certain Tax Intercept Agreement dated as of February 1, 2006, by and between the City and the Bank concerning the 2006 Bank Bonds, and (2) pay same over to the 2007 Trustee to satisfy any delinquent payment under the 2007 Loan Agreement.

"Transfer Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of owners of the Bonds and for the performance of such other duties as may be herein or hereafter specified by the Governing Body, and shall initially be the Paying Agent as designated in the Bond Purchase Agreement.

"2006 Bank Bonds" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, issued under the 2006 Indenture in the aggregate principal amount of \$8,500,000, said 2006 Bank Bonds being secured by payments due by the City under the 2006 Loan Agreement for the 2006 Note.

"2006 Escrow Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Refunded 2006 Bank Bonds, which 2006 Escrow Agent will be specified in the Bond Purchase Agreement.

EXHIBIT "C"

"2006 Escrow Agreement" shall mean that 2006 Escrow Deposit Trust Agreement dated the date of delivery of the Bonds by and between the City and the 2006 Escrow Agent, providing for the refunding of the Refunded 2006 Bank Bonds.

"2006 Indenture" shall mean the Indenture of Trust, dated February 1, 2006, by and between the Bank and Hancock Bank, Gulfport, Mississippi, securing the 2006 Bank Bonds.

"2006 Loan" shall mean the loan provided by the Bank to the City under the 2006 Loan Agreement secured by the 2006 Note funded from the proceeds of the 2006 Bank Bonds.

"2006 Loan Agreement" shall mean the Loan Agreement dated as of February 1, 2006, by and between the City and the Bank, secured by the 2006 Note.

"2006 Note" shall mean the City's Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, issued in the original principal amount of \$8,500,000 under the 2006 Loan Agreement, said 2006 Note and 2006 Loan Agreement representing security for the 2006 Loan provided from the proceeds of the 2006 Bank Bonds under the 2006 Indenture.

"2006 Trustee" shall mean Hancock Bank, Gulfport, Mississippi, in its capacity as trustee under the 2006 Indenture.

"2007 Bank Bonds" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007, issued under the 2007 Indenture in the aggregate principal amount of \$6,500,000, said 2007 Bank Bonds being secured by payments due by the City under the 2007 Loan Agreement for the 2007 Note.

"2007 Escrow Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Refunded 2007 Bank Bonds, which 2007 Escrow Agent will be specified in the Bond Purchase Agreement.

"2007 Escrow Agreement" shall mean that 2007 Escrow Deposit Trust Agreement dated the date of delivery of the Bonds by and between the City and the 2007 Escrow Agent, providing for the refunding of the Refunded 2007 Bank Bonds.

"2007 Indenture" shall mean the Indenture of Trust, dated December 13, 2007, by and between the Bank and Regions Bank, Birmingham, Alabama, securing the 2007 Bank Bonds.

"2007 Loan" shall mean the loan provided by the Bank to the City under the 2007 Loan Agreement secured by the 2007 Note funded from the proceeds of the 2007 Bank Bonds.

"2007 Loan Agreement" shall mean the Loan Agreement, dated as of December 13, 2007, by and between the City and the Bank, secured by the 2007 Note.

"2007 Note" shall mean the City's Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007, issued in the original principal amount of \$6,500,000 under the 2007 Loan Agreement, said 2007 Note and 2007 Loan Agreement

exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the City. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the City with certain requirements with the Code.

The Governing Body recognizes that the current low interest rate environment provides an opportunity to refund the Refunded Bonds, and the Governing Body further realizes that the Governing Body must move expeditiously to accomplish the greatest savings possible by the issuance of the Bonds.

In that the bond market is volatile, the Governing Body needs to authorize the negotiated sale of the Bonds to the Underwriter, subject to the satisfaction of the conditions as hereinafter set forth in Section 43 and authorizes the Mayor and City Clerk to execute the Bond Purchase Agreement, prior to a scheduled meeting of the Governing Body in order to maximize the savings to the City regarding the issuance of the Bonds.

The City recognizes that in order to prepare the necessary offering documents it is in the best interest of the City to authorize Bond Counsel to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bonds to the Underwriter and effectuate the issuance of such Bonds.

It is necessary to approve the form of and execution of the Preliminary Official Statement, to be dated the date of distribution thereof (the "Preliminary Official Statement") for the sale of the Bonds and the distribution thereof to prospective purchasers of the Bonds.

It is necessary to approve the form of and execution of the Bond Purchase Agreement with regard to the sale of the Bonds.

It is necessary to approve the form of, execution and distribution of an Official Statement, to be dated the date of execution of the Bond Purchase Agreement (the "Official Statement") for the Bonds.

It is necessary to approve the 2006 Escrow Agent and 2007 Escrow Agent and the form and execution of the 2006 Escrow Agreement and the 2007 Escrow Agreement for the Refunded 2006 Bank Bonds and Refunded 2007 Bank Bonds, respectively.

It is necessary to authorize the Mayor or Clerk of the City to provide a written notification to (a) the 2006 Trustee of the advance refunding of the Refunded 2006 Bank Bonds; and (b) the 2007 Trustee of the advance refunding of the Refunded 2007 Bank Bonds.

It has now become necessary to make provision for the preparation, execution and issuance of said Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY, ACTING FOR AND ON BEHALF OF THE CITY, AS FOLLOWS:

SECTION 1. The combined water and sewer facilities of the City are presently operated as the System.

representing security for the 2007 Loan provided from the proceeds of the 2007 Bank Bonds under the 2007 Indenture.

"2007 Trustee" shall mean Regions Bank, Birmingham, Alabama, in its capacity as trustee under the 2007 Indenture.

"2015 Costs of Issuance Fund" shall mean the City of Petal, Mississippi Combined Water and Sewer System Revenue Refunding Bonds, Series 2015 Costs of Issuance Fund provided for in Section 26 hereof.

"2015 Debt Service Fund" shall mean the Petal, Mississippi Combined Water and Sewer System Revenue Refunding Bonds, Series 2015 Debt Service Fund provided for in Section 15(b) hereof.

"Underwriter" shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

The City is authorized under the provisions of the Act to issue its Bonds to fund the Project. It is advisable and in the public interest to issue the Bonds for the purpose stated herein.

The estimated cost of the Project is not to exceed Six Million Nine Hundred Thousand Dollars (\$6,900,000).

The City is authorized under the provisions of the Act to issue its Bonds to provide funds for the Project, said Bonds to be payable solely from Pledged Net Revenues, subject to the parity lien of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds.

As of the date of this Bond Resolution, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds are the only indebtedness of the City consisting, or secured by, a lien on Net Revenues, including the Pledged Net Revenues, as defined herein and as set forth in the 2006 Loan Agreement and the 2007 Loan Agreement, respectively.

The terms and provisions of this Bond Resolution are subject to the terms and provisions of the 2006 Loan Agreement and the 2007 Loan Agreement, respectively, pertaining to parity indebtedness secured by the Net Revenues, including the Pledged Net Revenues, of the System as defined herein and described in the 2006 Loan Agreement and the 2007 Loan Agreement, respectively.

The amount of the Bonds, when added to the outstanding indebtedness of the City, will not exceed any constitutional or statutory limitation of indebtedness.

The Bonds are not private activity bonds as such term is defined in Section 141 of the Code.

The Code provides that non-compliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-

(a) The Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds shall be refunded with a portion of the proceeds of the Bonds and, if applicable, any transferred proceeds of the City.

SECTION 35. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 36. The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 3. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the Registration Records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System.

(a) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository, the Securities Depository Nominee and the Participants and Indirect Participants will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the Registration Records as the Registered Holder of such Bond or its registered assigns or legal representative at the principal office of the Paying Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the registered owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the City, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such

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event, the Paying Agent shall make payments with respect to the Bonds in such manner as if set forth herein.

(b) The City may at any time elect (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the City of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(c) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the City will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(d) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the City shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in EXHIBIT A hereto.

(e) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the City will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

(f) Each Securities Depository and the Participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(g) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the Paying Agent shall have executed and delivered to the initial Securities Depository a Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of such Letter of Representations are incorporated herein by reference and in the event there shall exist any inconsistency between the substantive provisions of the said Letter of Representations

and any provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(h) Notwithstanding any provision in this Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

SECTION 37. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Six Million Nine Hundred Thousand Dollars (\$6,900,000) to raise money, which funds, together with transferred proceeds, if applicable, will provide monies for the Project. Transferred proceeds, if applicable, will be used for the Refunding Project and will be defined in the Official Statement and/or the Bond Purchase Agreement. The principal of and the interest on the Bonds shall be payable in accordance with and as authorized by this Bond Resolution and the Act.

(a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) The Bonds shall be registered as to both principal and interest; shall be dated the date of delivery thereof; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified in the Bond Purchase Agreement, payable on January 1 and July 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing July 1, 2015, unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on July 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications) with the final maturity occurring not later than July 1, 2032.

(c) The Bonds may be subject to optional or mandatory sinking fund redemption prior to their stated dates of maturity as set forth in the Bond Purchase Agreement (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(d) If notice of redemption is required in the Bond Purchase Agreement, notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein

shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations or (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) State and Local Government Series ("SLGS") Securities, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under this Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

SECTION 38. The Bonds may be validated and executed as herein provided; and if validated they shall be registered as an obligation of the City in the office of the Clerk in record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of, or attached to, each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in EXHIBIT A hereto.

(a) The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the City imprinted or affixed thereto; provided, however all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Transfer Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the City whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(b) The Bonds shall be delivered to the Underwriter upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation, if applicable, of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

(c) Prior to or simultaneously with the delivery by the Transfer Agent of any of the Bonds, the City shall file with the Transfer Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation, if applicable, of the Bonds; and

(ii) an authorization to the Transfer Agent, signed by the Mayor or Clerk, to authenticate and deliver the Bonds to the Underwriter.

(d) At delivery, the Transfer Agent shall authenticate the Bonds and deliver them to the Underwriter thereof upon payment of the purchase price of the Bonds to the City.

(e) Bonds, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the City to meet the reasonable transfer and reissuance needs on the Bonds, shall be printed and delivered to the Transfer Agent in generally-accepted format, and held by the Transfer Agent until needed for transfer or reissuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Transfer Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional Bonds bearing the facsimile seal of the City and facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 39. The City will appoint the Paying and Transfer Agent for the Bonds. The Mayor and/or Clerk are hereby authorized and directed to appoint the Paying and Transfer Agent to be designated in and evidenced by the execution of the Bond Purchase Agreement. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The City specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

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(a) So long as any of the Bonds shall remain outstanding, the City shall maintain with the Transfer Agent records for the registration and transfer of the Bonds. The Transfer Agent is hereby appointed registrar for the Bonds, in which capacity the Transfer Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(b) The City shall pay or reimburse the Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the City and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(c) An Agent may at any time resign and be discharged of the duties and obligations of either the function of the Paying Agent or Transfer Agent, or both, by giving at least sixty (60) days' written notice to the City, and may be removed from either or both of said functions at any time by resolution of the Governing Body delivered to the Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Agent, and shall be transmitted to the Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of an Agent shall become effective until a successor Agent has been appointed pursuant to the Bond Resolution.

(i) Upon receiving notice of the resignation of an Agent, the City shall promptly appoint a successor Agent by resolution of the Governing Body. Any appointment of a successor Agent shall become effective upon acceptance of appointment by the successor Agent. If no successor Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Agent.

(ii) In the event of a change of Agents, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Agent shall be fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Agent.

(iii) Any successor Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(iv) Every successor Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Agent and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(v) Should any transfer, assignment or instrument in writing be required by any successor Agent from the City to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(vi) The City will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

(vii) All duties and obligations imposed hereby on an Agent or successor Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(d) Any corporation or association into which an Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Agent hereunder and vested with all the powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the City and eligible under the provisions of Section 6(d)(iv) hereof.

SECTION 40. The Bonds shall be in substantially the form attached hereto as EXHIBIT A, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution.

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

SECTION 9. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No such Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any such Bond shall be deemed to have been duly executed if signed by an authorized officer of the Paying Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 10. In the event the Underwriter shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the City, one Bond registered in the name of the Underwriter may be issued in the full amount of each maturity. Ownership of the Bonds shall be in the Underwriter until the initial Registered Owner has made timely payment and, upon request of the Underwriter within a reasonable time of the initial delivery of the Bonds, the Paying Agent shall re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Underwriter in the event timely payment has not been made by the initial Registered Owner.

(a) Except as hereinabove provided, the Person in whose name any of the Bonds shall be registered in the records of the City maintained by the Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any of the Bonds shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon any of the Bonds to the extent of the sum or sums so paid.

SECTION 11. The Bonds shall be transferable only in the records of the City, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or his or its attorney duly authorized in writing. Upon the transfer of any of the Bonds, the City, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

(a) In all cases in which the privilege of transferring any of the Bonds is exercised, the Transfer Agent shall authenticate and deliver said Bonds in accordance with the provisions of this Bond Resolution.

SECTION 12. Payment of principal on the Bonds shall be made, upon presentation and surrender thereof at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

(a) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

(b) Principal of and interest on the Bonds shall be paid by check or draft mailed on the Interest Payment Date to Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the applicable principal or interest payment date to be effective as of such date.

SECTION 13. The principal of and interest on the Bonds shall be payable solely from a pledge of Pledged Net Revenues subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the parity lien of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds. The Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the City is not pledged to the payment of the Bonds, either as to principal or interest.

SECTION 14. From and after the issuance and delivery of the Bonds, the System shall be operated on a Fiscal Year basis, commencing on the first day of October, and ending on the last day of September in the following year; provided, however, that the Fiscal Year may be changed upon written notice to the Registered Owners.

SECTION 15. All Revenues excluding Tax Monies shall be set aside as collected by the City and shall be deposited into the Series 2006 Revenue Fund created under the 2006 Loan Agreement for the 2006 Note securing the 2006 Bank Bonds and any parity indebtedness, including the 2007 Note securing the 2007 Bank Bonds and the Bonds; provided, however, the Bonds are secured by and payable solely from the Pledged Net Revenues. Moneys in said fund shall not be subject to lien or attachment by any creditor of the City and shall be set aside for, allocated to and deposited by the Clerk to the extent available in the following order of preference in the following separate and special funds, created pursuant to the 2006 Loan Agreement, the 2006 Indenture, the 2007 Loan Agreement, the 2007 Indenture and this Bond Resolution, without further direction of or action by the Governing Body or other authority of the City:

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(a) On the first business day of each month, commencing in the first month after delivery of the Bonds, there shall be deposited into the Series 2006 Operation and Maintenance Fund created under the 2006 Loan Agreement, such amount which will provide for the payment of the Current Expenses to be paid during such calendar month, and, in the event that the aggregate amounts deposited into such fund pursuant to this subsection (a) during the preceding months shall have been insufficient to pay all such expenses, an amount sufficient to repay such deficiencies.

(b) The following deposits shall be made to the Series 2006 Debt Service Fund created under the 2006 Loan Agreement, the Series 2006 Debt Service Reserve Fund created under the 2006 Indenture, the Series 2007 Debt Service Fund created under the 2007 Loan Agreement, the Series 2007 Debt Service Reserve Fund created under the 2007 Indenture and the 2015 Debt Service Fund created under this Bond Resolution:

(i) On the first business day of each month, commencing in the first month after the delivery of the Bonds, there shall be deposited, (a) as long as the 2006 Bank Bonds are outstanding and not refunded prior to maturity, an amount equal to one-sixth (1/6th) or such applicable fraction necessary to provide the interest due on the outstanding 2006 Bank Bonds on the next succeeding interest payment date and one-twelfth (1/12th) or such applicable fraction necessary to provide the next installment of principal becoming due on the 2006 Bank Bonds shall be withdrawn and deposited to the credit of the Series 2006 Debt Service Fund; provided, however, that the obligation of the City to make any such deposit hereunder shall be reduced by the amount of any reduction under the 2006 Indenture of the amount of the corresponding payment required to be made by the Bank thereunder (it being understood payment under any insurance policy or reserve policy, if applicable, shall not reduce such obligation), and (b) as long as the 2007 Bank Bonds are outstanding and not refunded prior to maturity, an amount equal to one-sixth (1/6th) or such applicable fraction necessary to provide the interest due on the outstanding 2007 Bank Bonds on the next succeeding interest payment date and one-twelfth (1/12th) or such applicable fraction necessary to provide the next installment of principal becoming due on the 2007 Bank Bonds shall be withdrawn and deposited to the credit of the Series 2007 Debt Service Fund; provided, however, that the obligation of the City to make any such deposit hereunder shall be reduced by the amount of any reduction under the 2007 Indenture of the amount of the corresponding payment required to be made by the Bank thereunder (it being understood payment under any insurance policy or reserve policy, if applicable, shall not reduce such obligation); and (c) into the 2015 Debt Service Fund an amount which, together with equal subsequent monthly deposits on the first business day of each successive month, will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Bonds is due; provided, however, deposits to the 2015 Debt Service Fund will be made solely from Pledged Net Revenues.

(ii) Provided, that in addition to the moneys required to be paid into the funds as set forth in (i) above, moneys shall be paid and/or deposited into the following funds as follows:

(3) deposit to the Debt Service Reserve Fund established under this Bond Resolution amounts sufficient to meet any deficiency in the 2015 Debt Service Fund in future years; provided, however, in order to fully fund the Debt Service Reserve Fund, the Clerk shall immediately upon delivery of the Bonds deposit a portion of the proceeds of the Bonds and/or a portion of any transferred proceeds, if applicable, and, if necessary, an additional amount, which, together with amounts already on deposit therein, will be equal to the Debt Service Reserve Requirement at which amount the Debt Service Reserve Fund shall thereafter be maintained by such future payments as may be necessary for that purpose; provided, however, such future deposits to the Debt Service Reserve Fund will be made solely from Pledged Net Revenues. The Debt Service Reserve Fund shall be used only to pay maturing principal and accruing interest, or both, on the Bonds and only whenever and to the extent that funds otherwise available in the 2015 Debt Service Fund are insufficient for that purpose. No funds paid into the Debt Service Reserve Fund shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Bonds. If the amount on deposit in the Debt Service Reserve Fund as valued on the last day of any Bond Year is more than the Debt Service Reserve Requirement, the amount of such excess shall be transferred to the 2015 Debt Service Fund. The initial deposit into the Debt Service Reserve Fund may be funded with a Surety Bond.

(c) Any amount remaining in the Series 2006 Revenue Fund after making all payments and deposits required by subsection (a) and (b), including any deficiency in payments required hereunder for prior months shall (i) as long as the 2006 Note and 2007 Note are outstanding, be paid to the Series 2006 Contingent Fund and when necessary, transferred to the Series 2006 Operation and Maintenance Fund at the discretion of the City to cover any deficiency therein or for any expenditure as a result of an unforeseen circumstance; and (ii) following the final maturity or prepayment prior to final maturity of both the 2006 Note and the 2007 Note, such funds can be utilized for expenditures related to the System, and when necessary, transferred to the Series 2006 Operation and Maintenance Fund at the discretion of the City to cover any deficiency therein for any expenditure as a result of an unforeseen circumstance. Following the final maturity or prepayment prior to final maturity of both the 2006 Note and the 2007 Note, funds on deposit in the Series 2006 Contingent Fund shall be deposited in the Revenue Fund, or, at the discretion of the City, be utilized for expenditures relating to the System.

The Series 2006 Revenue Fund and the Series 2006 Operation and Maintenance Fund, will survive the payment in full or refunding in advance of maturity of the 2006 Note and 2007 Note, while the Bonds, or any indebtedness issued on parity with the Bonds, are outstanding and such funds will be governing by the provisions of this Bond Resolution and any covenants securing said parity indebtedness.

The moneys in the foregoing funds shall be held separate and apart from all other funds of the City and shall be applied in the manner provided, and, pending such application, shall be subject to a lien and charge in favor and for the security of Registered Owners for the Bonds and the registered owners of the 2006 Bank Bonds and the 2007 Bank Bonds until paid out or

(1) as long as the 2006 Bank Bonds are outstanding and not refunded prior to maturity, pay to the 2006 Trustee for deposit by the 2006 Trustee to the credit of the 2006 Debt Service Reserve Fund created under the 2006 Indenture for the 2006 Bank Bonds, the amount, if any, required to be paid into the 2006 Debt Service Reserve Fund in order to ensure that the amount on deposit therein equals the debt service reserve requirement for said 2006 Debt Service Reserve Fund established by the provisions of the 2006 Loan Agreement and the 2006 Indenture; provided, however, following each interest payment date for the 2006 Bank Bonds, the 2006 Trustee shall determine if any amounts in the Series 2006 Debt Service Reserve Fund are in excess of the debt service reserve requirement and shall transfer said excess amount to the general account in the general fund under the 2006 Indenture for the 2006 Bank Bonds; provided, however, such amounts in excess of the debt service reserve requirement shall be paid to the City at the request of the City with the prior written approval of the Bank; and

(2) as long as the 2007 Bank Bonds are outstanding and not refunded prior to maturity, pay to the 2007 Trustee for deposit by the 2007 Trustee to the credit of the 2007 Debt Service Reserve Fund created under the 2007 Indenture for the 2007 Bank Bonds, the amount, if any, required to be paid into the 2007 Debt Service Reserve Fund in order to ensure that the amount on deposit therein equals the debt service reserve requirement for said 2007 Debt Service Reserve Fund established by the provisions of the 2007 Loan Agreement and the 2007 Indenture; provided, however, following each interest payment date for the 2007 Bank Bonds, the 2007 Trustee shall determine if any amounts in the Series 2007 Debt Service Reserve Fund are in excess of the debt service reserve requirement and shall transfer said excess amount to the general account in the general fund under the 2007 Indenture for the 2007 Bank Bonds; provided, however, such amounts in excess of the debt service reserve requirement shall be paid to the City at the request of the City with the prior written approval of the Bank; and

transferred as herein provided. Any surplus Revenues remaining after all deposits and transfers required or allowed by the Bond Resolution shall be used solely for purposes pertaining to the System.

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SECTION 16. If Net Revenues, including the Pledged Net Revenues, shall be insufficient at any time to make the payments or deposits from the Net Revenues and Pledged Net Revenues, as applicable, required by Section 15 hereof, the deficiency shall be made good by additional payments to be made out of the first available Net Revenues and Pledged Net Revenues, as applicable, received during any succeeding month or months.

SECTION 17. Subject to the provisions of the 2006 Loan Agreement and the 2006 Indenture regarding the 2006 Note and the 2006 Bank Bonds, respectively, and the 2007 Loan Agreement and the 2007 Indenture regarding the 2007 Note and the 2007 Bank Bonds, respectively, all sums in the funds referred to in Section 15 hereof shall be kept on deposit in bank accounts separate from all other bank accounts of the City in a bank or banks having Federal Deposit Insurance Corporation insurance of its accounts and at all times shall be continuously secured as provided by the laws of the State of Mississippi for other funds of the City, or, in the discretion of the Governing Body, may be invested as directed in this Bond Resolution in investments authorized under the laws of the State of Mississippi as may now be or hereafter become. Such investments shall mature or be redeemable prior to the time the funds so invested will be needed for expenditure. Any interest or other income received from investments shall accrue to and be deposited in the fund which generated such income or to which such income is attributable and applied toward the purposes set forth in such fund.

SECTION 18. The City covenants and agrees with the Registered Owners that it will perform or cause to be performed all duties with respect to the operation and maintenance of the System and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services thereof, the establishing of the funds herein referred to, and all other matters and things required by law and by this Bond Resolution, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the Bonds as the same shall mature and accrue.

SECTION 19. The City further covenants with the Registered Owners as follows:

SECTION 20. Prior to the commencement of each Fiscal Year, the Governing Body shall cause to be prepared a budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

- (a) An estimate of the receipts expected to be derived from the operation of the System;
- (b) A statement of the estimated cost of operating the System during the next ensuing Fiscal Year;
- (c) A statement of the amount of principal and interest due during the ensuing Bond Year;
- (d) A statement of what replacements to the System may be anticipated and the estimated cost thereof;
- (e) A statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and
- (f) A statement of the amount on deposit in each of the funds referred to in Section 15 of this Bond Resolution.

SECTION 21. In order to insure the efficient and economical operation of the System and to insure the proper maintenance thereof in an efficient working order, the City covenants, as a part of the contract to be evidenced by the Bonds, that it will employ, or cause to be employed, while any of the Bonds are outstanding, an independent engineer or engineering firm having a favorable reputation for skill and experience in such work, such engineer or engineering firm to act as Consulting Engineers for the operation and maintenance of the System. The Consulting Engineers employed to supervise the System shall continue to be employed under this Section 21 until further action by the Governing Body. The compensation of the Consulting Engineers shall be deemed to be an expense of operating the System and shall be payable from Revenues.

(a) As long as any of the Bonds are outstanding and unpaid, it will operate and maintain the System, or cause the System to be operated and maintained.

(b) As long as any of the Bonds are outstanding and unpaid, it will fix and maintain rates and make and collect charges for the use and service of the System which will at all times provide Pledged Net Revenues sufficient: (i) to pay the Current Expenses of the System, and (ii) to provide one hundred ten per cent (110%) of the amount of the maximum Principal and Interest Requirements and the payments required to be made to the credit of the Debt Service Reserve Fund for the current Bond Year on account of the Bonds then outstanding.

(c) If the Pledged Net Revenues in any Fiscal Year as shown by the City's audit are less than the total amount set forth in subsection (b) of this Section, then it shall, as promptly as possible, request the Consulting Engineers to make recommendations as to a revision of such rates, fees and charges or methods of operating the System which will result in producing the required amount in the following Fiscal Year. Upon receipt of such recommendations the City shall, subject to applicable requirements imposed by law, immediately revise such rates, fees and charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary. Failure to implement the recommendation of the Consulting Engineer or if coverage is less than one hundred ten percent (110%) of the maximum Principal and Interest Requirements and the payment required to be made to the credit of the Debt Service Reserve Fund, shall be a breach of the City's covenants herein.

(d) As long as any of the Bonds shall remain outstanding and unpaid, the City shall carry and maintain all-risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of and the interest on the Bonds.

(e) The City shall set up and maintain a proper system of accounts showing the amount of Revenues received from the System and the application thereof. Such accounts shall be separate and distinct from the other accounts of the City and the City, and at least once a year shall be properly audited by independent auditors who shall be certified public accountants. The report of such audit shall be open to the public and to all Registered Owners.

(f) The Registered Owner of any of the Bonds shall be permitted, at all reasonable times, to inspect the System and all records, accounts and data relating thereto, and shall be furnished all data and information relating to the System which may be reasonably requested.

(g) Except as provided for by this Bond Resolution, the City will not create or permit to be created any charge or lien on Pledged Net Revenues ranking equal or prior to the charge or lien of the Bonds, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds.

(a) It shall be the duty of the Consulting Engineers annually to inspect the System prior to the commencement of each Fiscal Year and to file a report with the Clerk prior to the commencement of each Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which the Consulting Engineers shall deem to be advisable. Such report shall include the following:

- (i) Advice and recommendations concerning the maintenance, repair and operation of the System;
- (ii) Advice and recommendations as to renewals or replacements of any part of the System;
- (iii) Advice and recommendations as to extensions of the System;
- (iv) The estimated cost of any recommended renewals, replacements or extensions to the System;
- (v) Advice and recommendations concerning the amount and character of insurance that should be carried on the System;
- (vi) Advice and recommendations concerning any revision of the rates to be charged for the services of the System;
- (vii) A statement of the judgment of the Consulting Engineers concerning whether the System had been maintained in good repair and operating order, with such suggestions as the Consulting Engineers may deem advisable concerning changes in the methods of operating the System.

(b) The City covenants with the Registered Owners that if the report of the Consulting Engineers shall show that the System has not been maintained in good repair and operating condition, it will, from available Revenues and the Series 2006 Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the City and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the Consulting Engineers.

SECTION 22. From and after the issuance of the Bonds, no additional bonds shall be issued or obligations incurred by the City which are payable in whole or in part from or chargeable to Pledged Net Revenues (except obligations incurred in the operation and maintenance of the System), unless such additional bonds or obligations are in all respects junior and subordinate to the Bonds and the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds.

EXHIBIT "C"

(a) The City shall have the right to issue one or more additional bond series to be secured by a parity lien on and ratably payable from Pledged Net Revenues and any other security pledged to the Bonds, including the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, subject to the provisions of the 2006 Loan Agreement, the 2006 Indenture, the 2007 Loan Agreement and the 2007 Indenture, respectively, regarding parity indebtedness, provided in each instance that:

(i) the Pledged Net Revenues available for payments of principal and interest on the Bonds, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds for a period of 12 consecutive months during the 18 months preceding the month in which such additional parity bonds are issued must be certified by an accountant to have been at least equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, any other outstanding bonds and the bonds proposed to be issued; or in lieu of the foregoing formula, if a new schedule of rates, fees and charges for the services, facilities and commodities of the System shall have been adopted, then the Pledged Net Revenues available for debt service payments (taking into account such new rates) must be certified by an accountant to have been at least equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, any other outstanding bonds, and the bonds proposed to be issued during the period set forth above;

(ii) the pledge of and lien on the Pledged Net Revenues and amounts on deposit from time to time in the 2015 Debt Service Fund shall be extended for the benefit of the Registered Owners of the additional bonds; and

(iii) the resolution under which the proposed bonds are being issued shall provide for the funding of the increase in the Debt Service Reserve Fund resulting from the issuance of such additional bonds from the proceeds of such additional bonds.

(b) The City hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) Adjust the deposits into the 2015 Debt Service Fund in the following manner: On the first business day of each month, commencing in the first month after the delivery of the additional bonds, there shall be deposited into the 2015 Debt Service Fund an amount which, after taking into account any amounts already on deposit and equal subsequent monthly deposits on the first business day of each successive month, will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Bonds and the additional bonds is due.

(ii) Adjust the amount of the Debt Service Reserve Fund to a sum equal to the lesser of the following: (1) the Debt Service Reserve Fund Requirement as calculated for the Bonds, and such additional parity bonds; and (2) the maximum amount which, if deposited therein, in the opinion of nationally recognized bond counsel, would not adversely affect the tax-exempt status of interest on the Bonds and such additional bonds. The additional funds required to provide the lesser of (1) or (2) as set forth in the immediate preceding sentence shall be funded from the proceeds of the additional parity bonds.

(c) The City shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium. If it is provided in any subsequently issued series of bonds secured by a parity lien on Pledged Net Revenues that excess moneys in the 2015 Debt Service Fund shall be used to redeem bonds in advance of scheduled maturity or if the City, at its option, undertakes to redeem outstanding bonds in advance of scheduled maturity, it is agreed and understood that:

(i) calls of or prepayment on bonds will apply to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call); and

(ii) calls of bonds for each bond series will be in accordance with the call provisions of the respective bond series.

(d) The City may issue bonds junior and subordinate to the Bonds and the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds at any time, provided that the issuance of such bonds does not violate any covenant of the City concerning any of its then outstanding bonds.

SECTION 23. The provisions of this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds, and after the issuance of the Bonds no changes, additions or alterations of any kind shall be made hereto in any manner except upon consent of the Registered Owners of at least sixty-five percent (65%) in principal amount of the Bonds then outstanding, such consent to be evidenced by an instrument or instruments signed by such Registered Owners and duly acknowledged in the manner of a deed for the conveyance of real estate in the State of Mississippi. Such instruments shall contain or be accompanied by proofs of ownership of specified numbers and principal amounts of the Bonds, shall be filed in the office of the Clerk and shall be a public record.

(a) Any and all modifications or alterations made in the manner hereinabove provided shall not become effective until the required consents shall have been filed with the Clerk.

(b) No modifications or alterations to this Bond Resolution shall extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation to pay the principal of or the interest on any of the Bonds at the time and place and at the rate and in the currency as provided therein, without the express consent of the Registered Owner of any such Bonds, nor reduce the percentage of the Bonds required for the affirmative vote or written consent to a modification or alteration, nor alter or impair the covenants set forth in Sections 18, 19 and 21 hereof.

SECTION 24. The Bonds, the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds shall be payable equally and ratably, without regard to the date when the Bonds actually shall be delivered and shall enjoy parity of lien, one with the other, upon Pledged Net Revenues.

SECTION 25. (a) A certain portion of the principal proceeds of the Bonds and, if applicable, a portion of the transferred proceeds, will be remitted directly to the 2006 Escrow Agent to effectuate the Refunding 2006 Project; and (b) a certain portion of the principal proceeds of the Bonds and, if applicable, a portion of the transferred proceeds, will be remitted directly to the 2007 Escrow Agent to effectuate the Refunding 2007 Project.

SECTION 26. (a) The City hereby establishes the 2015 Costs of Issuance Fund which shall be held by the 2006 Escrow Agent pursuant to the 2006 Escrow Agreement, for and on behalf of the City. A certain portion of the proceeds received upon the sale of the Bonds shall be deposited in the 2015 Costs of Issuance Fund. Any income received from investment of monies in the 2015 Costs of Issuance Fund shall be deposited in the 2015 Costs of Issuance Fund. Funds in the 2015 Costs of Issuance Fund shall be used to pay the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation, if applicable, and delivery of the Bonds. Any amounts which remain in the 2015 Costs of Issuance Fund after the payment of the costs of issuance for the Bonds shall be transferred by the 2006 Escrow Agent to the City for deposit to the 2015 Debt Service Fund and used as permitted under State law.

(b) The Mayor is hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the 2006 Escrow Agent, acting for and on behalf of the City, on the closing date of the Bonds the costs of issuance of said Bonds; provided, however, total costs of issuance for said Bonds shall not exceed five percent (5%) of par amount of the Bonds (excluding the Underwriter's discount and original issue discount, any costs associated with the Bond Insurance Policy and Surety Bond, if applicable).

SECTION 27. Upon the occurrence of an event of default, the Registered Owner of any of the Bonds may, by suit, action, mandamus or other proceedings at law or in equity, enforce and compel performance by the appropriate official or officials of the City of any or all acts and duties to be performed by the City under the provisions of the Act and of this Bond Resolution.

(a) Each of the following constitutes an event of default under this Bond Resolution:

(i) failure by the City to pay any installment of principal or Redemption Price of any Bond at the time required;

(ii) failure by the City to pay any installment of interest on any Bond at the time required;

(iii) failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the City by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or

(iv) an Act of Bankruptcy occurs.

(b) If there be any default in the payment of the principal of and interest on the Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Bonds then outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Bonds and to pay the expense of operating and maintaining the System in conformity with the provisions of the Act and of this Bond Resolution; provided, however, if the 2006 Note and the 2007 Note are outstanding, the provisions of this sub-section will be subject to the provisions of the 2006 Loan Agreement, the 2006 Indenture, the 2007 Loan Agreement and the 2007 Indenture, respectively.

SECTION 28. At least five (5) days prior to the due date thereof, the Clerk of the City shall remit to the Paying Agent the sum or sums then becoming due as interest, or principal and interest, on the Bonds, plus the sum then due as the charges of the Paying Agent for its services and responsibility under the terms of this Bond Resolution, which charges shall be expenses of operation and shall be charged to and payable from the Series 2006 Operation and Maintenance Fund referred to in this Bond Resolution.

SECTION 29. The Bonds may be submitted to validation as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended, and for that purpose the Clerk, if required, is hereby authorized and directed to transmit to the State's Bond Attorney a certified copy of all of the legal papers pertaining to the issuance of the Bonds, including transcripts of records, resolutions, proofs of publication, tabulation or votes and all facts pertaining to the issuance of the Bonds.

EXHIBIT "C"

SECTION 30. If the City shall pay or cause to be paid to the Registered Owners of the Bonds the principal of, premium, if any, and interest to become due with respect thereto at the times and in the manner stipulated therein and herein, and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Bond Resolution expressed as to be kept, performed and observed by it or on its part and shall pay or cause to be paid to the Paying Agent all sums of money due or to become due according to the provisions hereof, then the rights of the Registered Owners under the Bond Resolution shall cease, determine and be void, and thereupon the lien of this Bond Resolution on Pledged Net Revenues shall be defeased, canceled and discharged.

SECTION 31. The City hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 32. The City hereby covenants with regard to the Refunded 2006 Bank Bonds and the Refunded 2007 Bonds as follows:

(a) it has not abandoned, sold or otherwise disposed of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2006 Note, the 2006 Bank Bonds, the 2007 Note and the 2007 Bank Bonds;

(b) it does not intend to, during the term that any of the Bonds allocable to the Refunding Project are outstanding, abandon, sell or otherwise dispose of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2006 Note, the 2006 Bank Bonds, the 2007 Note and the 2007 Bank Bonds;

(c) it shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(d) it shall take no action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(e) it will not employ an abusive arbitrage device in connection with the issuance by it of the Bonds which will (1) enable it to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Bonds than on the Refunded 2006 Note, the Refunded 2006 Bank Bonds, the Refunded 2007 Note and the Refunded 2007 Bank Bonds and (2) overburden the tax-exempt bond market; and

(f) the amount of "excess gross proceeds", as such term is defined in Income Tax Regulation § 1.148-10(c)(2), of the Bonds allocable to the Refunding Project will not exceed one percent (1%) of the proceeds received from the sale thereof.

(a) Within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year" (which shall be the five-year period ending on the date five years subsequent to the date of the closing, unless another date is selected by the Governing Body of the City, and each succeeding fifth "bond year"), and within sixty (60) days of the date the last bond that is part of the Bonds is discharged the City shall (i) calculate, or cause to be calculated, the "rebate amount" as of each "computation date" or the "final computation date" attributable to any investment in "investment-type property" made by the City, of "gross proceeds" of the Bonds, and (ii) remit the following to the United States Treasury within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year": (A) an amount of money equal to such "rebate amount" (treating for purposes of such calculation any previous payments made to the United States Treasury on account of such "rebate amount" as if the payment on any such date was an "expenditure" constituting a "rebate payment"); (B) the calculations supporting the amount of "rebate amount" attributable to any investments in "investment-type property" made by the City of gross proceeds of the Bonds and (C) any other information required to comply with Section 148 of the Code.

(b) The City shall keep accurate records of each investment-type property (as that term is defined in Section 148(h) of the Code), if any, acquired, directly or indirectly, with "gross proceeds" of the Bonds and each expenditure it makes with "gross proceeds". Such records shall include the purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively realized on disposition, disposition date, and evidence of the "fair market value" of such property on the purchase date and disposition date (or deemed purchase or disposition date), for each item of such "investment-type property".

SECTION 36. In the event the City receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Section 35 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the City need not make such computations, deposits or payments.

SECTION 37. The City shall not hereafter construct, acquire or operate, or permit, or, to the extent permitted by law, consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System; except that nothing in this Bond Resolution contained shall prevent the City from giving its permission or consent to the construction, acquisition or preparation in the area serviced by the System by a Person or facilities for the provision of water and sewer services which the City shall determine are not economically feasible for it to construct or acquire at such time, but which, if constructed or acquired by the City, would carry out the purposes of the City and its System under Sections 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended and/or supplemented from time to time, and such facilities pursuant to the terms of such permission or consent will become a part of the System upon notice to such person by the City, either (i) without any cost to or payment by the City, or (ii) upon payment of such amount or cost as the City shall determine to be proper in the circumstances.

SECTION 33. The City covenants that it will make no Prohibited Payments as that term is used in the regulations promulgated under the Code.

SECTION 34. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) the City reasonably anticipates that the amount of tax-exempt obligations issued by it during the period from January 1, 2015, to December 31, 2015, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000, when added to the aggregate principal amount of the Bonds; and

(b) for purposes of this Section 34, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

SECTION 35. The City hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code ("Rebate") in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds. In accordance therewith, the City shall:

SECTION 38. The City covenants that it will (a) diligently enforce and collect all fees, rental or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State, and (b) to the full extent permitted by law, under reasonable rules and regulations, shut off and discontinue the supplying of the services and facilities of the System for the non-payment of fees, rentals or other charges for said water services, and will not restore said water services until all delinquent charges, together with interest and reasonable penalties, have been paid in full.

SECTION 39. The City covenants that it will not provide free service to any user of the System unless permitted by State statute.

SECTION 40. The City hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB") through MSRB's Electronic Municipal Market Access system at www.emma.msrb.org ("EMMA"), in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") (the "Required Electronic Format") pursuant to Rule 15c2-12, as amended from time to time (the "Rule") of the SEC, together with any identifying information or other information then required to accompany the applicable filing (the "Accompanying Information"). This information will be available free to securities brokers and others through EMMA.

The City will provide certain updated financial information and operating data to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION," quantitative financial information and operating data with respect to the System of the general type included in the Official Statement in APPENDIX B and other financial information all as set forth in the Continuing Disclosure Agreement, the form of which is included in the Official Statement. The City will update and provide this information within twelve months after the end of each fiscal year of the City ending in or after September 30, 2015.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the City's audit is completed by the required time. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. If the City changes its fiscal year, it will notify the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information.

EXHIBIT "C"

Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465, Telephone Number: (601) 545-1776.

The City will also provide notice to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, in a timely manner not in excess of ten business days after the occurrence of certain events. The City will provide notice of any of the following events with respect to the Bonds, in a timely manner not in excess of ten business days after the occurrence of such event: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves, reflecting financial difficulties; (3) unscheduled draws on credit enhancements, reflecting financial difficulties; (4) substitution of credit or liquidity providers for the Bonds; or their failure to perform; (5) adverse tax opinions, IRS notices or events affecting the tax status of the Bonds; (6) defeasances; (7) rating changes; (8) tender offers; and (9) bankruptcy, insolvency receivership, or a similar proceeding by the obligated person. The City will provide to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, notice of an occurrence of the following events, if such event is material to a decision to purchase or sell Bonds, in a timely manner not in excess of ten business days after the occurrence of an event: (1) non-payment related defaults; (2) modifications to the rights of bond holders; (3) bond calls or redemption; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, acquisition involving an obligated person, other than in the ordinary course of business, or the sale of all or substantially all the assets of an obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and (6) appointment of a successor or additional trustee, or the change in the name of the trustee. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under paragraphs 2, 3 and 4 of this Section.

The City has agreed to update information and to provide notices of material events only as described in this Section. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Holders or Beneficial Owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City; (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance; and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the Holders and Beneficial

Owners of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

SECTION 41. That the Governing Body of the City hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bonds in substantially the form attached hereto as EXHIBIT B. The City hereby deems the Preliminary Official Statement to be "final" as required by Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

SECTION 41. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

SECTION 42. That the Governing Body of the City hereby authorizes the negotiation of the sale of the Bonds to the Underwriter and authorizes the execution by the Mayor and City Clerk of the Governing Body of the Bond Purchase Agreement in substantially the same form attached hereto as EXHIBIT C for and on behalf of the City, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), and provided that the following parameters are met: (1) the par amount of the Bonds will not exceed \$6,900,000; (2) the net interest cost of the Bonds will not exceed 4.00%; (3) the term of the Bonds will not exceed July 1, 2032 (or as determined by the Bond Purchase Agreement, the execution thereof shall constitute approval of any such completions, changes, insertions and modifications); and (4) terms and provisions of the Bonds in compliance with the Act.

SECTION 43. Upon the execution of the Bond Purchase Agreement, the Mayor and Clerk are hereby authorized and directed to cause to be prepared and to execute a final Official Statement in connection with the Bonds in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplement as approved by the Mayor and Clerk executing same (the execution thereof shall constitute approval of any such completions, changes, insertions and modifications).

SECTION 44. The Governing Body recognizes and acknowledges that due to uncertain conditions in the municipal bond marketplace from time to time, that it may or may not be determined to be advisable to refund any, all or a portion of the Refunded Bonds at any given time. Therefore the Governing Body does hereby grant authority to the Mayor to provide for the final selection and approval of the obligations, amounts, and maturities of the Refunded Bonds to be refunded with the Bonds.

SECTION 45. The President and Clerk, acting for and on behalf of the City, and the counsel to the City are hereby authorized to apply for a commitment for the provision of a Bond Insurance Policy and/or a Surety Bond. If the City executes a commitment for the provision of a Bond Insurance Policy and/or a Surety Bond for the Bonds and any additional documents and certificates which are required by any provider of such Bond Insurance Policy and/or Surety Bond selected to provide credit enhancement and funding for the Debt Service Reserve Requirement for the Debt Service Reserve Fund, respectively, in

SECTION 53. If in the opinion of the City and Bond Counsel, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bonds, the Governing Body of the City hereby authorizes (a) the Bond Counsel acting as disclosure counsel to prepare such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Bond Counsel acting as disclosure counsel, and (b) the Bond Counsel and/or the Underwriter for the Bonds to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bonds.

SECTION 54. That the City hereby certifies that it will be in compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") in connection with all applicable bond issues sold, issued and delivered by the City since July 1, 1995, subject to the Rule, prior to the sale of the Bonds.

SECTION 55. The Mayor and Clerk and any other Authorized Officer of the Governing Body are authorized to execute and deliver such resolutions, certificates and other documents as are required for the sale, issuance and delivery of the Bonds.

SECTION 56. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

Alderman Moore seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

[remainder of page left blank intentionally]

connection with the issuance of the Bonds, the Mayor, City Clerk and/or any other Authorized Officers of the Governing Body is hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the Bond Insurance Policy and/or Surety Bond to the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the 2006 Escrow Agreement and the 2007 Escrow Agreement as are approved by the Mayor of the City evidenced by his execution of the commitment for said Bond Insurance Policy and/or Surety Bond and other additional documents and certificates. The Governing Body hereby authorizes and approves the execution of said commitments for said Bond Insurance Policy and/or Surety Bond by the Mayor of the City, for and on behalf of the City, if applicable.

SECTION 46. This resolution shall serve as notice to the 2006 Trustee and the 2007 Trustee of the City's desire to provide for refunding of the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds, respectively.

SECTION 47. The form of and the execution by the Mayor or Clerk of the 2006 Bank Bonds Notice of Refunding/Redemption, attached hereto as EXHIBIT D is hereby approved.

SECTION 48. The form of and the execution by the Mayor or Clerk of the 2007 Bank Bonds Notice of Refunding/Redemption, attached hereto as EXHIBIT E is hereby approved.

SECTION 49. That the Governing Body hereby approves the form of the 2006 Escrow Agreement and the 2007 Escrow Agreement, respectively, attached hereto as EXHIBIT F, for and on behalf of said Governing Body, and authorizes the execution by the Authorized Officers of the Governing Body of the 2006 Escrow Agreement and the 2007 Escrow Agreement in substantially the same form for and on behalf of said Governing Body.

SECTION 50. That the Governing Body hereby approves the appointment of the 2006 Escrow Agent and the 2007 Escrow Agent under the terms and provisions of the 2006 Escrow Agreement and the 2007 Escrow Agreement, respectively, such appointments to be as set forth in the Bond Purchase Agreement.

SECTION 51. The Governing Body hereby authorizes the 2006 Escrow Agent and the 2007 Escrow Agent to make the initial application with the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for SLGS, if such application is deemed necessary in connection with completing the Refunding 2006 Project and the Refunding 2007 Project, respectively. The Governing Body further authorizes the Mayor and/or City Clerk to execute an Escrow Bidding Agent Agreement, as applicable, if such agreement is deemed necessary in connection with completing the Refunding Project.

SECTION 52. The Governing Body authorizes the preparation and submission of the final application for SLGS by the 2006 Escrow Agent and the 2007 Escrow Agent, respectively, if such application is deemed necessary in connection with completing the Refunding 2006 Project and the Refunding 2007 Project.

EXHIBIT "C"

Alderman David Clayton	Voted: <u>Aye</u>
Alderman Steve Stringer	Voted: <u>Aye</u>
Alderman Clint Moore	Voted: <u>Aye</u>
Alderman Bradley S. Amacker	Voted: <u>Aye</u>
Alderman Tony Ducker	Voted: <u>Aye</u>
Alderman J. Craig Bullock	Voted: <u>Aye</u>
Alderman William H. King, IV	Voted: <u>Aye</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, on this the 17th day of February, 2015.

Istal May
MAYOR

ATTEST:

Melina Math
CITY CLERK



EXHIBIT A
[BOND FORM]
UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF PETAL

COMBINED WATER AND SEWER SYSTEM REVENUE REFUNDING BOND

SERIES 2015

NO. R- _____ \$ _____

Rate of Interest _____ %	Maturity _____	Date of Original Issue _____, 2015	CUSIP _____
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Registered Owner: CEDE & CO.

Principal Amount: _____ DOLLARS

The City of Petal, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of the _____, or its successor, as paying agent (the "Paying Agent") for the Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by the _____, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2015, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent

not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed _____ Dollars (\$ _____,000) to raise money, together with certain transferred funds, if applicable, sufficient for (i) (a) the refinance, prepayment and advance refunding of the outstanding principal installments of the City's Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, issued in the original principal amount of \$8,500,000, securing a Loan Agreement, dated February 1, 2006, by and between the City and the Mississippi Development Bank, evidencing a loan between the City and the Mississippi Development Bank, and the subsequent advance refunding and redemption of the outstanding \$8,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, issued pursuant to an Indenture of Trust, dated February 1, 2006, by and between the Mississippi Development Bank and Hancock Bank, Gulfport, Mississippi, and (b) the refinance, prepayment and advance refunding of the outstanding principal installments of the City's Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007, issued in the original principal amount of \$6,500,000, securing a Loan Agreement, dated December 13, 2007, by and between the City and the Mississippi Development Bank, evidencing a loan between the City and the Mississippi Development Bank, and the subsequent advance refunding and redemption of the outstanding \$6,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007, issued pursuant to an Indenture of Trust, dated December 13, 2007, by and between the Mississippi Development Bank and Regions Bank, Birmingham, Alabama; (ii) funding a debt service reserve fund, including the premium for a surety bond; and (iii) paying costs of issuance for the Bonds, including the premium for the bond insurance policy.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted February 17, 2015 (the "Bond Resolution").

INSERT REDEMPTION PROVISIONS.

[REMOVE IF NOT APPLICABLE: Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being

outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.]

The Bonds are registered as to both principal and interest. The Bonds are to be issued or reissued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Transfer Agent, but only in the manner, subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The principal of and interest on the Bonds shall be payable solely from the Pledged Net Revenues, as hereinafter defined, derived from the operation of the combined water and sewer system of the City (the "System"), subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the parity lien of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, all as defined and described in the Bond Resolution. "Pledged Net Revenues" shall mean all System Revenues remaining after payment of Current Expenses. "System Revenues" shall mean all payments, proceeds, fees, charges, rents and all other income derived by or for the account of the City from its ownership and operation of the System, excluding all acreage, front-footage, assessment and similar fees and charges derived by the City in connection with the provision of or payment for capital improvements constituting a part of the System. "Current Expenses" shall mean the reasonable and necessary current expenses of maintenance, repair and operation of the System and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Paying Agent, legal expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, and any other expense of the System required or permitted to be paid by the City under the provisions of the Bond Resolution or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the Series 2006 Debt Service Fund, the Series 2007 Debt Service Fund, the Series 2015 Debt Service Fund or the Debt Service Reserve Fund, as defined and described in the Bond Resolution. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the City is not pledged to the payment hereof, either as to principal or interest. System Revenues shall be deposited in the Series 2006 Revenue Fund, as defined in the Bond Resolution, and then transferred to the 2015 Debt Service Fund for the payment of principal and interest on the Bonds.

EXHIBIT "C"

The City covenants and agrees that it will perform all duties required by law and by the Bond Resolution; that it will apply the proceeds of this Bond to the purposes above set forth; that, as long as this Bond is outstanding, it will operate and maintain the System; that it will fix and maintain rates and make and collect charges for the services of the System, without regard to the user thereof, sufficient to provide for the operation and maintenance of the System in good repair and working order, and to provide for the payment of the principal of and interest on this Bond as same shall mature and accrue, all as set forth in the Bond Resolution; and that such an amount of the Pledged Net Revenues of the System as will maintain a 2015 Debt Service Fund on this Bond, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding limited obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

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

Terms capitalized herein shall have the same meaning as in the Bond Resolution, unless otherwise expressly provided herein.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal.

CITY OF PETAL, MISSISSIPPI

BY: Hal May
Mayor

COUNTERSIGNED:

Melvin Mathis
CITY CLERK
SEAL
APR 5 1974
PETAL, MS.

There shall be printed in the lower left portion of the face of, or attached to, the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, of the City of Petal, Mississippi.

_____ as Transfer Agent

BY: _____
Authorized Officer

Date of Registration and Authentication: _____

There shall be printed on the reverse of, or attached to, the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION [AND VALIDATION] CERTIFICATE

STATE OF MISSISSIPPI
COUNTY OF FORREST
CITY OF PETAL

I, the undersigned City Clerk of the City of Petal, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Forrest County, Mississippi, rendered on the _____ day of _____, 2015.

(Seal)

City Clerk

ASSIGNMENT
FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

(Authorized Officer)

Date of Assignment: _____

Insert Social Security Number or Other Tax Identification Number of Assignee: _____

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT "C"

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT D

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2006 BANK BONDS

_____, 2015

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mississippi Development Bank
Attn: Executive Director
735 Riverside Drive, Suite 300
Jackson, MS 39202

Hancock Bank
Attn: Trust and Financial Services Group
The Quarter Specialty Center
1855 Lakeland Drive, Suite Q-230
Jackson, MS 39216

Hancock Bank
Attn: Trust and Financial Services Group
One Hancock Plaza
2510 14th Street
Gulfport, MS 39501

RE: Advance refunding of certain outstanding principal installments of the City of Petal, Mississippi (the "City") \$8,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 (the "2006 Note"), maturing on July 1 in the years 2023 through 2031, both inclusive (the "Refunded 2006 Note") securing a Loan Agreement, dated February 1, 2006 (the "2006 Loan Agreement"), by and between the City and the Mississippi Development Bank and the subsequent advance refunding of a portion of the outstanding \$8,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 (the "2006 Bank Bonds"), maturing on July 1 in the years 2023 through 2031, both inclusive (the "Refunded 2006 Bank Bonds") and the redemption of the 2006 Bank Bonds maturing on July 1 in the years 2023 through 2031, both inclusive (the "Callable 2006 Bank Bonds")

Dear Sir:

The Mayor and Board of Aldermen (the "Governing Body") of the City of Petal, Mississippi (the "Issuer"), acting for and on behalf of the Issuer, did adopt a resolution (an executed copy of which is attached), which authorized the advance refunding of the Refunded 2006 Bank Bonds and the optional redemption of the Callable 2006 Bank Bonds at a redemption price of 102%. The Governing Body does hereby irrevocably exercise its option to refinance, prepay and advance refund the Refunded 2006 Note under the provisions of the 2006 Loan Agreement and advance refund the Refunded 2006 Bank Bonds under the provisions of the Indenture of Trust, dated February 1, 2006 (the "2006 Indenture"), by and between the Mississippi Development Bank and Hancock Bank, Gulfport, Mississippi, as trustee (the "2006 Trustee") and to optionally

redeem at a redemption price of 102% the Callable 2006 Bank Bonds effective July 1, 2016. Such optional redemption shall be carried out in accordance with the provisions of the 2006 Loan Agreement and the 2006 Indenture and the 2006 Trustee is hereby authorized to utilize the funds provided to it by the Escrow agent, as identified in the attached resolution, for such optional redemption, said funds being provided from the proceeds of the Issuer's Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, to be dated the date of delivery thereof, to be issued in the principal amount of not to exceed Six Million Nine Hundred Thousand Dollars (\$6,900,000) (the "Bonds").

From the date of the issuance of the Bonds, the 2006 Trustee shall provide for the payment of principal of and interest on the Refunded 2006 Bank Bonds including the redemption price of the Callable 2006 Bank Bonds from the funds (together with interest earnings thereon) provided to it by the Escrow agent.

It is the responsibility of the 2006 Trustee to assure that all publications and form of redemption notices conform to the requirements of the 2006 Indenture.

Sincerely,

(Type Name of Mayor or Clerk of the City of
Petal, Mississippi)

Cc: Municipal Securities Rulemaking Board (via <http://emma.msrb.org>)
Ambac Assurance Corporation (via notices@ambac.com)
RE: Financial Guaranty Insurance Policy 25006BE
Surety Bond Policy No. SB2231BE

EXHIBIT "C"

EXHIBIT E

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2007 BANK BONDS

2015

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mississippi Development Bank
Attn: Executive Director
735 Riverside Drive, Suite 300
Jackson, MS 39202

Regions Bank
Attn: Corporate Trust
1900 5th Avenue North, 25th Floor
Birmingham, AL 35203

RE: Advance refunding of certain outstanding principal installments of the City of Petal, Mississippi (the "City") \$6,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 (the "2007 Note"), maturing on July 1 in the years 2027 through 2032, both inclusive (the "Refunded 2007 Note") securing a Loan Agreement, dated December 13, 2007 (the "2007 Loan Agreement"), by and between the City and the Mississippi Development Bank and the subsequent advance refunding of a portion of the outstanding \$6,500,000 Mississippi Development Bank Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 (the "2007 Bank Bonds"), maturing on July 1 in the years 2027 through 2032, both inclusive (the "Refunded 2007 Bank Bonds") and the redemption of the 2007 Bank Bonds maturing on July 1 in the years 2027 through 2032, both inclusive (the "Callable 2007 Bank Bonds")

Dear Sir:

The Mayor and Board of Aldermen (the "Governing Body") of the City of Petal, Mississippi (the "Issuer"), acting for and on behalf of the Issuer, did adopt a resolution (an executed copy of which is attached), which authorized the advance refunding of the Refunded 2007 Bank Bonds and the optional redemption of the Callable 2007 Bank Bonds at a redemption price of 100%. The Governing Body does hereby irrevocably exercise its option to refinance, prepay and advance refund the Refunded 2007 Note under the provisions of the 2007 Loan Agreement and advance refund the Refunded 2007 Bank Bonds under the provisions of the Indenture of Trust, dated December 13, 2007 (the "2007 Indenture"), by and between the Mississippi Development Bank and Regions Bank, Birmingham, Alabama, as trustee (the "2007 Trustee") and to optionally redeem at a redemption price of 100% the Callable 2007 Bank Bonds effective July 1, 2017. Such optional redemption shall be carried out in accordance with the provisions of the 2007 Loan Agreement and the 2007 Indenture and the 2007 Trustee is hereby authorized to utilize the funds provided to it by the Escrow agent, as identified in the attached resolution, for such optional redemption, said funds being provided from the proceeds of the Issuer's Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, to be dated the date of delivery hereof, to be issued in the principal amount of not to exceed Six Million Nine Hundred Thousand Dollars (\$6,900,000) (the "Bonds").

From the date of the issuance of the Bonds, the 2007 Trustee shall provide for the payment of principal of and interest on the Refunded 2007 Bank Bonds including the redemption price of the Callable 2007 Bank Bonds from the funds (together with interest earnings thereon) provided to it by the Escrow agent.

It is the responsibility of the 2007 Trustee to assure that all publications and form of redemption notices conform to the requirements of the 2007 Indenture.

Sincerely,

(Type Name of Mayor or Clerk of the City of
Petal, Mississippi)

Cc: Municipal Securities Rulemaking Board (via <http://emma.msrb.org>)
Assured Guaranty Municipal Corp., (formerly known as Financial Security Assurance Inc.), 31 West 52nd Street, New York, New York 10019, Attn: Managing Director
- Public Finance Surveillance, RE: Municipal Bond Insurance Policy 209464-N and
Municipal Bond Debt Service Reserve Insurance Policy No. 209464-R

EXHIBIT F

FORM OF 2006 ESCROW AGREEMENT AND 2007 ESCROW AGREEMENT

EXHIBIT "C"

ESCROW DEPOSIT TRUST AGREEMENT

BY AND AMONG

MISSISSIPPI DEVELOPMENT BANK,

CITY OF PETAL, MISSISSIPPI

AND

AS ESCROW AGENT

DATED AS OF ___, 2015

FOR:

\$8,500,000

MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2006
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: FEBRUARY 1, 2006

This ESCROW DEPOSIT TRUST AGREEMENT (the "Agreement") is made and entered into as of ___, 2015, by and among, the MISSISSIPPI DEVELOPMENT BANK (the "Bank" or the "Issuer"), a public corporation and instrumentality of the State of Mississippi (the "State"), exercising essential public functions, organized under the provisions of Mississippi Code of 1972, Sections 31-25-1 et seq., as from time to time amended (the "Act"), the CITY OF PETAL, MISSISSIPPI (the "City") and _____, _____, _____ as escrow agent hereunder (in such capacity, the "Escrow Agent");

WITNESSETH:

WHEREAS, the City has heretofore issued \$8,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 ("2006 Note"), said 2006 Note securing the Loan Agreement, dated February 1, 2006, by and between the City and the Bank evidencing the loan between the Bank and the City funded from the proceeds of the Bank's \$8,500,000 Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 (the "2006 Bank Bonds") issued under that certain Indenture of Trust dated February 1, 2006 (the "2006 Indenture"), by and between the Bank and Hancock Bank, Gulfport, Mississippi (in such capacity, the "2006 Trustee"); and

WHEREAS, the City has heretofore issued \$6,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 ("2007 Note"), said 2007 Note securing the Loan Agreement, dated December 13, 2007, by and between the City and the Bank evidencing the loan between the Bank and the City funded from the proceeds of the Bank's \$6,500,000 Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 (the "2007 Bank Bonds") issued under that certain Indenture of Trust dated December 13, 2007 (the "2007 Indenture"), by and between the Bank and Regions Bank, Birmingham, Alabama (in such capacity, the "2007 Trustee"); and

WHEREAS, the City has determined that it is in its best interest to prepay a portion of the outstanding 2006 Note equal to \$____,000 (such portion being the "Refunded 2006 Note") to provide funds for the advance refunding of the outstanding maturities of the 2006 Bank Bonds maturing on July 1 in the years ____ through ____, both inclusive (the "Refunded 2006 Bank Bonds") and the optional redemption of the Refunded 2006 Bank Bonds maturing on July 1 in the years ____ through ____, both inclusive (the "Callable 2006 Bank Bonds"), on July 1, 2016 (the "Callable 2006 Bank Bonds Redemption Date") at a redemption price of 102%; and

WHEREAS, pursuant to the 2006 Indenture the liens, rights and interest granted by the 2006 Indenture to the Refunded 2006 Bank Bonds shall cease, determine and become null and void upon the deposit in trust with the Escrow Agent of either moneys in an amount which shall be sufficient, or S/GS and/or U. S. Obligations (as such terms are hereinafter defined) (together the "Escrowed 2006 Securities"), the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, will be sufficient to pay the interest due and principal to become due on the Refunded 2006 Bank Bonds on and prior to the Callable 2006 Bank Bonds Redemption Date, and to pay the principal due for the Callable 2006 Bank Bonds on or before the Callable 2006 Bank Bonds Redemption Date, at 102%; and

WHEREAS, the Bank and the City have determined that it is in the best interest of the Bank and the City to deposit in trust with the Escrow Agent the Escrowed 2006 Securities the principal of and the interest on which when due will provide moneys which, together with cash, if any, deposited with the Escrow Agent at the same time, will be sufficient, to pay the interest due and principal to become due on the Refunded 2006 Bank Bonds on or before the Callable 2006 Bank Bonds Redemption Date, and to pay the principal due for the Callable 2006 Bank Bonds on or before the Callable 2006 Bank Bonds Redemption Date, at 102%; and

WHEREAS, in order to deposit such amount of moneys and Escrowed Securities in trust, the City has authorized and delivered its \$_____ Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, dated ___, 2015 (the "Series 2015 Bonds"), to be used to provide funds to finance (i)(a)(1) the refinance, prepayment and advance refunding of the Refunded 2006 Note, and (2) the subsequent corresponding advance refunding of the Refunded 2006 Bank Bonds (together, (1) and (2) constitute the "Refunding 2006 Project"); (b)(1) the refinance, prepayment and advance refunding of the Refunded 2007 Note, and (2) the subsequent corresponding advance refunding of the Refunded 2007 Bank Bonds (together, (1) and (2) constitute the "Refunding 2007 Project" and together with the Refunding 2006 Project, the "Refunding Project"); (ii) funding a debt service reserve fund for the Bonds, including a premium for a surety bond, if applicable, and (iii) paying the costs of issuance of the Series 2015 Bonds, including a premium for bond insurance, if applicable; and

WHEREAS, a portion of the proceeds derived from the Series 2015 Bonds, in addition to other available funds received by the Escrow Agent, will be applied to the purchase of certain 2006 Escrowed Securities, which principal amount of 2006 Escrowed Securities will mature and produce investment income and earnings at such times and in such amounts together with certain amounts held in cash as will be sufficient to pay when due all of the principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds including the redemption price of the Callable 2006 Bank Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said trust, the maturing principal amount of the Escrowed Securities purchased or transferred thereby and investment income and earnings derived therefrom to the payment of the Refunded 2006 Bank Bonds, it is necessary to enter into this Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded 2006 Bank Bonds; and

WHEREAS, the City has authorized the Escrow Agent to pay certain costs of issuance for the Series 2015 Bonds from a certain portion of the proceeds thereof in the amount of \$_____ (the "2015 Costs of Issuance Funds") deposited in the 2015 Costs of Issuance Fund (the "2015 Costs of Issuance Fund") to be held by the Escrow Agent under this Agreement.

NOW, THEREFORE, the City and the Bank by approving this Agreement, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Refunded 2006 Bank Bonds and the Refunded 2006 Note according to their respective tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alienate, pledge, set over and confirm, unto the Escrow Agent, and its successors in the trusts hereby created, and to it and its assigns forever, all and singular, the property hereinafter described, to

wit:

DIVISION I

All right, title and interest in and in any funds deposited herewith derived from a portion of the proceeds of the Series 2015 Bonds.

DIVISION II

All right, title and interest in and to all income, earnings and increment derived from or accruing to the 2006 Escrowed Securities purchased from a portion of the money described in DIVISION I hereof and more particularly described in SCHEDULE A, attached hereto and made a part hereof.

DIVISION III

Any and all other property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature, from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder, by the City, the Bank or by anyone on their respective behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Refunded 2006 Bank Bonds (except for the 2015 Costs of Issuance Funds); but if the Refunded 2006 Bank Bonds shall be fully and promptly paid when due, in accordance with the terms thereof and hereof, then this Agreement shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

DEFINITIONS

SECTION 1.1 DEFINITIONS. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended.

"Agreement" shall mean this Escrow Deposit Trust Agreement, dated as of ___, 2015, by and among, the Bank, the City and the Escrow Agent.

"Authorized Newspaper" shall mean both a newspaper or financial journal of general circulation in New York, New York, printed in the English language, being customarily published on each business day whether or not published on Saturdays, Sundays or holidays, such as The Bond Buyer.

EXHIBIT "C"

"Bond Resolution" shall mean the Bond Resolution of the City dated _____, 2015, pursuant to which the Series 2015 Bonds are issued and secured.

"City" shall mean City of Petal, Mississippi.

"SLGS" shall mean United States Securities State and Local Government Series ("SLGS").

"Trust Estate", "trust estate" or "pledged property" shall mean the property, rights and interest of the Bank and the City which are subject to the lien of this Agreement.

"2006 Escrowed Securities" shall mean together the SLGS and U. S. Obligations, if any.

"2006 Indenture" shall mean the Indenture of Trust, dated February 1, 2006, by and between the Bank and Hancock Bank, Gulfport, Mississippi, securing the 2006 Bank Bonds.

"2006 Trustee" and "2006 Paying Agent" shall mean Hancock Bank, Gulfport, Mississippi, in its capacity as trustee under the 2006 Indenture.

"U. S. Obligations" shall mean the direct obligations of the United States of America Treasury or such other federal securities as may be permitted under regulations issued pursuant to Section 149(b) of the Internal Revenue Code of 1986, as amended, which shall be Government Obligations under the 2006 Indenture.

"Written Request" with respect to the City shall mean a request in writing signed by the Mayor of the City, or by any other officer of the City duly authorized and satisfactory to the Escrow Agent and with respect to the Bank shall mean a request in writing signed by the Executive Director or Secretary of the Bank or by any other officer of the Bank authorized and satisfactory to the Escrow Agent.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ESTABLISHMENT OF FUNDS: FLOW OF FUNDS

SECTION 1.2 CREATION OF ESCROW DEPOSIT TRUST FUND. There is hereby created and established with the Escrow Agent for the Refunded 2006 Bank Bonds (i) a special and irrevocable trust fund designated the 2006 Escrow Deposit Trust Fund (the "2006 Escrow Deposit Trust Fund"), and (ii) a 2015 Costs of Issuance Fund, each to be held in the custody of the Escrow Agent separate and apart from other funds of the Bank, the City and the

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Escrow Agent. The 2006 Escrow Deposit Trust Fund and the 2015 Costs of Issuance Fund shall be administered pursuant to this Agreement.

Concurrently with the delivery of the Series 2015 Bonds and the receipt of proceeds therefor, the City herewith deposits or causes to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$ _____ (the "2006 Escrow Requirement"). The 2006 Escrow Requirement is to be deposited to the 2006 Escrow Deposit Trust Fund and the amount of the 2015 Costs of Issuance Funds from the proceeds of the Series 2015 Bonds is to be deposited into the 2015 Costs of Issuance Fund. As set forth in the verification report (the "Verification Report") of The Arbitrage Group, Inc. (the "Verification Agent"), delivered on _____, 2015, by the Bank and the City to the Escrow Agent, the amount of the 2006 Escrow Requirement will be sufficient to purchase the 2006 Escrowed Securities, which will mature in principal amounts and earn income and earnings at such times, all as described in SCHEDULE A, so that sufficient moneys will be available to pay (i) the interest due and principal payable on the Refunded 2006 Bank Bonds each January 1 and July 1, commencing July 1, 2015 through and including July 1, 2016, and (ii) to pay the principal outstanding of the Callable 2006 Bank Bonds on the Callable 2006 Bank Bonds Redemption Date at 102%.

The Verification Agent has verified that the deposit in escrow of the 2006 Escrow Requirement will produce sufficient funds to pay interest due and principal payable on the Refunded 2006 Bank Bonds until July 1, 2016, and to redeem on said date all of the Callable 2006 Bank Bonds maturing thereafter, all of which have been called for redemption on said date, at a redemption price of 102%.

The 2015 Costs of Issuance Funds shall be used to pay costs of issuance for the Series 2015 Bonds.

SECTION 1.3

IRREVOCABLE TRUST CREATED.

The deposit of moneys for the 2006 Escrow Requirement including the 2006 Escrowed Securities in the 2006 Escrow Deposit Trust Fund shall constitute an irrevocable deposit of such moneys and 2006 Escrowed Securities for the benefit of the holders of the Refunded 2006 Bank Bonds, except as provided herein with respect to amendments permitted under Section 4.01 hereof. The holders of the Refunded 2006 Bank Bonds shall have an express lien on all moneys and principal of and earnings on the 2006 Escrowed Securities deposited in the 2006 Escrow Deposit Trust Fund until applied in accordance with this Agreement. The matured principal of the 2006 Escrowed Securities and the interest thereon shall be held in trust by the Escrow Agent, and shall be transferred in the necessary amounts as hereinafter set forth in Section 2.05 to the 2006 Trustee for the Refunded 2006 Bank Bonds for the payment of interest and principal on the Refunded 2006 Bank Bonds as the same becomes due and payable and to the payment of the principal outstanding of the Callable 2006 Bank Bonds on the Callable 2006 Bank Bonds Redemption Date.

SECTION 1.4 PURCHASE OF ESCROWED SECURITIES. The Escrow Agent is hereby directed to purchase immediately the 2006 Escrowed Securities listed on SCHEDULE

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SECTION 1.6

TRANSFERS FROM 2006 ESCROW

DEPOSIT TRUST FUND. As the principal of the 2006 Escrowed Securities set forth in SCHEDULE A (subject to the reinvestment, if any, of the principal and interest made pursuant to Section 2.06 and the application of investment earnings in accordance with Section 2.06), shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than each interest payment date for the Refunded 2006 Bank Bonds, transfer from the 2006 Escrow Deposit Trust Fund to the 2006 Trustee for the Refunded 2006 Bank Bonds amounts sufficient to pay the interest and principal on the Refunded 2006 Bank Bonds coming due on each interest payment date and to pay the principal outstanding of the Callable 2006 Bank Bonds on the Callable 2006 Bank Bonds Redemption Date, all as set forth in SCHEDULE B hereto. Such amounts shall be applied by the 2006 Trustee to the payment of all principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds for the equal and ratable benefit of the holders of the Refunded 2006 Bank Bonds. Currently, principal, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds are payable at the principal office of the 2006 Paying Agent in Gulfport, Mississippi.

SECTION 1.7

INVESTMENT OF CERTAIN MONEYS

REMAINING IN TRUST FUNDS. Any moneys remaining from time to time in the 2006 Escrow Deposit Trust Fund until such time that they are needed may be invested and reinvested in 2006 Escrowed Securities maturing no later than the next interest payment date or Callable 2006 Bank Bonds Redemption Date of the Callable 2006 Bank Bonds, or such periods or at such interest rates that the Escrow Agent shall be directed to invest by a Written Request of the City, as approved by the Bank, which must be accompanied by an opinion of Butler Snow LLP, or any other nationally recognized bond counsel which opinion shall also be to the effect that such reinvestment of such moneys and the interest rate on such moneys will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2015 Bonds or the Refunded 2006 Bank Bonds, cause the interest on the 2006 Bank Bonds to be subject to federal income taxation. In addition, the Escrow Agent shall receive from a nationally recognized independent certified public accounting firm a certification that, immediately after such transaction, the principal of and the interest on the 2006 Escrowed Securities in the 2006 Escrow Deposit Trust Fund when due and paid will, together with any other moneys held for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds, when due. Any interest income, earnings or gain resulting from such reinvestment of moneys shall be released from the Trust Estate and transferred to the City. To the extent amounts are not reinvested in accordance with the provisions of this Section 2.06, such amounts shall be held uninvested as provided in the Verification Report.

SECTION 1.8 FUNDS AND ACCOUNTS CONSTITUTE TRUST FUNDS. All the funds and accounts created and established pursuant to this Agreement shall be and constitute trust funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Bank, the City and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

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A. The Escrow Agent shall purchase the 2006 Escrowed Securities solely from the 2006 Escrow Requirement moneys deposited in the 2006 Escrow Deposit Trust Fund. The Escrow Agent shall apply the moneys deposited in the 2006 Escrow Deposit Trust Fund, and the 2006 Escrowed Securities purchased therewith, together with all income or earnings thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the 2006 Escrowed Securities held hereunder or to sell, transfer or otherwise dispose of the 2006 Escrowed Securities acquired hereunder except as provided in this Agreement.

SECTION 1.5

SUBSTITUTION OF OBLIGATIONS.

Notwithstanding any other provision of this Agreement, at the Written Request of the City, with the approval of the Bank, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of or request the redemption of the 2006 Escrowed Securities held hereunder and to substitute therefor 2006 Escrowed Securities; provided, however, the foregoing may be effected only if: (i) the substitution of the 2006 Escrowed Securities for the substituted 2006 Escrowed Securities occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the 2006 Escrow Deposit Trust Fund to the 2006 Trustee for the payment of principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds, will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive from a nationally recognized independent certified public accountant firm a certification that, immediately after such substitution, the principal of and the interest on the 2006 Escrowed Securities in the 2006 Escrow Deposit Trust Fund when due and paid will, together with any other moneys held for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds, when due, in accordance with this Agreement; and (iv) the Escrow Agent shall receive an opinion from Butler Snow LLP, or from any other nationally recognized attorneys on the subject of municipal bonds, to the effect that the disposition and substitution or purchase of such 2006 Escrowed Securities will not, under the statutes, rules, regulations and court decisions then in force and applicable to the Refunded 2006 Bank Bonds, impair the federal tax-exempt status of the interest on the 2006 Bank Bonds and that such disposition and substitution or purchase is not inconsistent with the statutes and regulations applicable to the 2006 Bank Bonds, and that the conditions of this Section 2.04 have been satisfied. Any surplus moneys resulting from the sale, transfer, other disposition or redemption of the 2006 Escrowed Securities held hereunder and the substitutions therefor of 2006 Escrowed Securities, shall be released from the Trust Estate and shall be transferred to the City for deposit in the 2015 Debt Service Fund for the Series 2015 Bonds as described in the Bond Resolution and used for the purposes described therein.

The City hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding paragraph in any manner which will cause 2006 Bank Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the 2006 Bank Bonds. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the 2006 Escrowed Securities held hereunder or from other moneys available.

EXHIBIT "C"

SECTION 1.9 TRANSFER OF FUNDS AFTER ALL PAYMENTS REQUIRED BY THIS AGREEMENT ARE MADE. After all of the transfers by the Escrow Agent to the 2006 Trustee for payment of the principal of, redemption premium, if any, and interest on the Refunded 2006 Bank Bonds have been made, all remaining moneys and 2006 Escrowed Securities, together with any income and interest thereon, in the 2006 Escrow Deposit Trust Fund, shall be transferred by the Escrow Agent to the City for deposit in the 2015 Debt Service Fund created by the Bond Resolution and used for the purposes described therein; provided, however, that no such transfer shall be made until all of the principal of, redemption premium, if any, and interest on the outstanding Refunded 2006 Bank Bond, have been paid in full.

SECTION 1.10 DEFFASANCE NOTICE, REDEMPTION NOTICE AND ADDITIONAL NOTICES. (i) The Bank and the City hereby direct the Escrow Agent, and the Escrow Agent hereby agrees, to cause to be prepared and published in the form thereof as attached hereto as SCHEDULE C, within 30 days after the 2006 Escrowed Securities are deposited with it, and at the expense of the City (subject to Section 3.10 hereof) a notice to the holders of the Refunded 2006 Bank Bonds setting forth that the irrevocable deposit of moneys and investment thereof has been made in accordance with Article IX of the 2006 Indenture, and (i) that all the Callable 2006 Bank Bonds maturing on July 1 in the years 20 through 20 , both inclusive, will be redeemed on at a redemption price of 102%. (ii) a description of the 2006 Escrowed Securities so held by it, and (iii) that the lien of the 2006 Indenture on the Refunded 2006 Bank Bonds has been released in accordance with the provisions of the 2006 Indenture.

(ii) The Bank and the City hereby direct the Escrow Agent, and the Escrow Agent hereby agrees, (a) to redeem in accordance with the 2006 Indenture all of the Callable 2006 Bank Bonds outstanding under the 2006 Indenture as of ; and (b) to cause to be prepared and published or mailed, as the case may be, in connection with the redemption of the Refunded 2006 Bank Bonds under the 2006 Indenture, all notices required under Article IV of the 2006 Indenture or required or recommended, from time to time, by the Securities and Exchange Commission (in accordance with the standards endorsed by the Securities and Exchange Commission in Release 34-2385, issued December 3, 1986) and by the Municipal Securities Rulemaking Board, to the extent applicable.

SECTION 1.11 APPLICATION OF 2015 COSTS OF ISSUANCE FUNDS. Proceeds of the Series 2015 Bonds in the amount of \$ representing the 2015 Costs of Issuance Funds will be used by the Escrow Agent to pay invoices submitted to the Escrow Agent for and on behalf of the City regarding costs of issuance for the Series 2015 Bonds. Any portion of the 2015 Costs of Issuance Funds remitted to the Escrow Agent for the costs of issuance for the Series 2015 Bonds and not used to pay costs of issuance within thirty (30) days of the closing of the Series 2015 Bonds shall be transferred to the City for deposit in the 2015 Debt Service Fund and used as permitted under State law. The 2015 Costs of Issuance Funds will remain uninvested until used to pay costs of issuance or remitted to the City under the provisions herein provided. The 2015 Costs of Issuance Funds shall be segregated from other moneys deposited in the 2006 Escrow Deposit Trust Fund and held in a separate account to be used for the payment of costs of issuance expenses as authorized by the City in the bond resolution adopted , 2015.

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SECTION 1.16 RESIGNATION OF ESCROW AGENT. The Escrow Agent or any successor escrow agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations of the trust hereby created by giving 60 days' written notice to the City and the Bank, and by giving to the registered holders of the Refunded 2006 Bank Bonds notice of such resignation by first class mail. Upon receiving such notice of resignation, the City and the Bank shall promptly appoint a successor escrow agent by an instrument in writing.

SECTION 1.17 REMOVAL OF ESCROW AGENT. Upon the Written Request of the City, with the approval of the Bank, the Escrow Agent may be removed at any time if (i) the Escrow Agent shall cease to be eligible in accordance with the provisions set forth herein and shall fail to resign after Written Request therefor from the City or from any registered holder of the Refunded 2006 Bank Bonds who has been a bona fide holder of a refunded bond for at least six (6) months, or (ii) the Escrow Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Escrow Agent or of its property shall be appointed, or any public officer shall take charge or control of the Escrow Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

The Escrow Agent may also be removed by the registered holders of the Refunded 2006 Bank Bonds of a majority in aggregate principal amount of the Refunded 2006 Bank Bonds at the time outstanding by an instrument or concurrent instruments in writing signed by such registered holders of the Refunded 2006 Bank Bonds.

Any removal of the Escrow Agent and appointment of a successor escrow agent in accordance with the provisions set forth herein shall become effective upon acceptance of appointment by the successor escrow agent as provided herein.

SECTION 1.18 APPOINTMENT OF SUCCESSOR ESCROW AGENT. If no successor escrow agent shall have been appointed and shall have accepted such appointment within thirty (30) days after such notice of resignation, the resigning escrow agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent, or any registered holder of the Refunded 2006 Bank Bonds, who has been a bona fide holder for at least six (6) months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor escrow agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribed, appoint a successor escrow agent. Any resignation by the Escrow Agent and appointment of a successor escrow agent in accordance with the provisions set forth herein shall become effective upon acceptance of appointment by the successor escrow agent in accordance with the provisions set forth herein.

Any successor escrow agent appointed under the provisions of this Agreement shall be a corporation organized and doing business under the laws of the United States or any state authorized under such laws to exercise corporate trust powers, having its principal office and place of business in any state, having a combined capital and surplus of at least \$10,000,000, and subject to supervision or examination by federal or state authority. If such corporation published reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Escrow Agent shall cease to be

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CONCERNING THE ESCROW AGENT

SECTION 1.12 APPOINTMENT OF THE ESCROW AGENT. The City hereby appoints _____, _____, _____ as the Escrow Agent under this Agreement.

SECTION 1.13 ACCEPTANCE BY ESCROW AGENT. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the trust hereby created.

SECTION 1.14 LIABILITY OF ESCROW AGENT. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligent action, its own negligent failure to act or its own willful misconduct, except as may be provided to the contrary in the 2006 Indenture.

The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investment in the 2006 Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the 2006 Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the 2006 Escrowed Securities and the earnings thereon to pay the Refunded 2006 Bank Bonds. So long as the Escrow Agent applies any moneys, the 2006 Escrowed Securities and the interest earnings therefrom to pay the Refunded 2006 Bank Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded 2006 Bank Bonds caused by such calculations.

In the event of the Escrow Agent's failure to account for any of the 2006 Escrowed Securities or moneys received by it, such 2006 Escrowed Securities or moneys shall be and remain the property of the City and the Bank in trust for the holders of the Refunded 2006 Bank Bonds as herein provided.

SECTION 1.15 PERMITTED ACTS. The Escrow Agent and its officers and directors may acquire and hold, or become the owner or pledge of or may deal in the Refunded 2006 Bank Bonds and the Series 2015 Bonds as fully and with the same rights as if it were not the Escrow Agent.

eligible in accordance herewith, the Escrow Agent shall resign immediately in the manner and with the effect specified in Section 3.05 hereof.

SECTION 1.19 VESTING OF TRUSTS IN SUCCESSOR ESCROW AGENT. Any successor escrow agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City and the Bank, an instrument in writing accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor escrow agent shall become effective; and such successor escrow agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as escrow agent herein, but, nevertheless, on the Written Request of the City, as approved by the Bank, or the request of the successor escrow agent, the Escrow Agent ceasing to act. Upon request of any such successor escrow agent, the City and the Bank shall execute any and all instruments in writing for more fully and certainly vesting in and conforming to such successor escrow agent all such rights, powers and duties.

Upon acceptance of appointment by a successor escrow agent as heretofore provided, the City and the Bank shall publish notice of the succession of such escrow agent to the trust hereunder. Such notice shall be published at least once in an Authorized Newspaper. If the City and the Bank fail to publish such notice within ten (10) days after acceptance of appointment by the successor escrow agent, the successor escrow agent shall cause such notice to be published at the expense of the City.

Any corporation into which the Escrow Agent may be merged or with which it may consolidate or any corporation resulting from any merger or consolidation to which the Escrow Agent shall be a party, or any corporation succeeding to the business of the Escrow Agent, shall be the successor to the Escrow Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor escrow agent shall be eligible under the provisions thereof.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Agreement and otherwise qualified to act as Escrow Agent hereunder with or into which the bank or trust company acting as Escrow Agent may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Escrow Agent.

SECTION 1.20 RECEIPT OF PROCEEDINGS. Possession of or receipt of true and correct copies of the 2006 Indenture and the proceedings authorizing the issuance of the 2006 Bank Bonds are hereby acknowledged by the Escrow Agent, and reference herein to citation herein of any provision of such documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

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EXHIBIT "C"

SECTION 1.21 ARRANGEMENTS FOR PAYMENT OF ALL OTHER SUMS PAYABLE UNDER THE 2006 INDENTURE. The Escrow Agent hereby acknowledges that the City has paid, caused to be paid or made arrangements satisfactory to the Escrow Agent for payment of all other sums (in addition to debt service on the Refunded 2006 Bank Bonds) payable under the 2006 Indenture until the Refunded 2006 Bank Bonds are paid as provided in Section 2.01 hereof. If such arrangements for fees and expenses shall include a prepayment of all or part thereof and if the Escrow Agent resigns or is removed in accordance with Section 3.05 and 3.06 hereof, the Escrow Agent agrees to return to the City that portion of the prepaid fee which is attributable to that part of the trust which is then still to be administered.

MISCELLANEOUS

SECTION 1.22 AMENDMENTS TO

-exempt status of the interest on the 2006 Bank Bonds under the federal and State of Mississippi law will not be adversely affected), without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement;
- (b) To grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded 2006 Bank Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and
- (c) To subject to the lien of this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded 2006 Bank Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 1.23 SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the Bank, the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

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SECTION 1.24 AGREEMENT BINDING. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Bank, the City, or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 1.25 TERMINATION. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 1.26 GOVERNING LAW. This Agreement shall be governed by the applicable law of the State of Mississippi.

SECTION 1.27 EXECUTION BY COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[remainder of page left blank intentionally]

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IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers or officials.

[SEAL] MISSISSIPPI DEVELOPMENT BANK

BY: Executive Director

ATTEST:

BY: Secretary

CITY OF PETAL, MISSISSIPPI

[SEAL] BY: Mayor

ATTEST:

BY: City Clerk

as Escrow Agent

BY: _____

Signature Page to Escrow Deposit Trust Agreement dated as of ____, 2015, by and among the Mississippi Development Bank, City of Petal, Mississippi and _____, as Escrow Agent.

Signature Page to Escrow Deposit Trust Agreement dated as of ____, 2015, by and among the Mississippi Development Bank, City of Petal, Mississippi and _____, as Escrow Agent.

EXHIBIT "C"

SCHEDULE A

ESCROW DEPOSIT TRUST FUND INVESTMENTS

SCHEDULE B

DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2006 BANK BONDS

SCHEDULE C

NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

\$ _____,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2006
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: FEBRUARY 1, 2006

Maturing July 1, 2023 through and including July 1, 2031

Notice is hereby given to the holders of the above-captioned obligations (hereinafter referred to as the "Refunded 2006 Bank Bonds") that there has been deposited in an irrevocable escrow account held by _____ as Escrow Agent, \$ _____ which will provide moneys which shall be sufficient to pay principal of, premium, if any, and interest on the Refunded 2006 Bank Bonds on and prior to their redemption or maturity dates thereof, as described below.

Moneys will be available for the payment of interest on the Refunded 2006 Bank Bonds due on January 1 and July 1, commencing July 1, 2015, to and including July 1, 2016. All of the Refunded 2006 Bank Bonds maturing on or after July 1, 2023, will be called for redemption on July 1, 2016 at a price of 102%. The Refunded 2006 Bank Bonds are deemed to have been paid in accordance with Article IX of that certain Indenture of Trust dated February 1, 2006, by and between the Mississippi Development Bank and Hancock Bank, Gulfport, Mississippi (the "2006 Trustee") (the "2006 Indenture"). Accordingly, the right, title and interest of the holders of the Refunded 2006 Bank Bonds in the 2006 Indenture and other moneys as provided in the 2006 Indenture, have ceased, determined and become null and void.

The holders of the Refunded 2006 Bank Bonds are entitled for payment (from the 2006 Trustee for the Refunded 2006 Bank Bonds) solely out of the moneys or securities so deposited in such escrow account.

Dated this _____ day of _____, 2015.

By: _____
_____, as Escrow Agent

EXHIBIT "C"

ESCROW DEPOSIT TRUST AGREEMENT

BY AND AMONG

MISSISSIPPI DEVELOPMENT BANK,

CITY OF PETAL, MISSISSIPPI

AND

AS ESCROW AGENT

DATED AS OF __, 2015

FOR:

\$6,500,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2007
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: DECEMBER 13, 2007

This ESCROW DEPOSIT TRUST AGREEMENT (the "Agreement") is made and entered into as of __, 2015, by and among, the MISSISSIPPI DEVELOPMENT BANK (the "Bank" or the "Issuer"), a public corporation and instrumentality of the State of Mississippi (the "State"), exercising essential public functions, organized under the provisions of Mississippi Code of 1972, Sections 31-25-1 et seq., as from time to time amended (the "Act"), the CITY OF PETAL, MISSISSIPPI (the "City") and _____, as escrow agent hereunder (in such capacity, the "Escrow Agent");

WITNESSETH:

WHEREAS, the City has heretofore issued \$8,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 ("2006 Note"), said 2006 Note securing the Loan Agreement, dated February 1, 2006, by and between the City and the Bank evidencing the loan between the Bank and the City funded from the proceeds of the Bank's \$8,500,000 Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006 (the "2006 Bank Bonds") issued under that certain Indenture of Trust dated February 1, 2006 (the "2006 Indenture"), by and between the Bank and Hancock Bank, Gulfport, Mississippi (in such capacity, the "2006 Trustee"); and

WHEREAS, the City has heretofore issued \$6,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 ("2007 Note"), said 2007 Note securing the Loan Agreement, dated December 13, 2007, by and between the City and the Bank evidencing the loan between the Bank and the City funded from the proceeds of the Bank's \$6,500,000 Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 (the "2007 Bank Bonds") issued under that certain Indenture of Trust dated December 13, 2007 (the "2007 Indenture"), by and between the Bank and Regions Bank, Birmingham, Alabama (in such capacity, the "2007 Trustee"); and

WHEREAS, the City has determined that it is in its best interest to prepay a portion of the outstanding 2007 Note equal to \$ _____ (such portion being the "Refunded 2007 Note") to provide funds for the advance refunding of the outstanding maturities of the 2007 Bank Bonds maturing on July 1 in the years _____ through _____, both inclusive (the "Refunded 2007 Bank Bonds") and the optional redemption of the Refunded 2007 Bank Bonds maturing on July 1 in the years _____ through _____, both inclusive (the "Callable 2007 Bank Bonds"), on July 1, 2017 (the "Callable 2007 Bank Bonds Redemption Date") at a redemption price of par; and

WHEREAS, pursuant to the 2007 Indenture the liens, rights and interest granted by the 2007 Indenture to the Refunded 2007 Bank Bonds shall cease, determine and become null and void upon the deposit in trust with the Escrow Agent of either moneys in an amount which shall be sufficient, or SLGS and/or U. S. Obligations (as such terms are hereinafter defined) (together the "Escrowed 2007 Securities"), the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Escrow Agent at the same time, will be sufficient to pay the interest due and principal to become due on the Refunded 2007 Bank Bonds on and prior to the Callable 2007 Bank Bonds Redemption Date, and to pay the principal due for the Callable 2007 Bank Bonds on or before the Callable 2007 Bank Bonds Redemption Date, at a redemption price of par; and

All right, title and interest in and to any funds deposited herewith derived from a portion of the proceeds of the Series 2015 Bonds.

DIVISION II

All right, title and interest in and to all income, earnings and increment derived from or accruing to the 2007 Escrowed Securities purchased from a portion of the money described in DIVISION I hereof and more particularly described in SCHEDULE A, attached hereto and made a part hereof.

DIVISION III

Any and all other property which is by the express provisions of this Agreement required to be subject to the pledge hereof and any additional property of every kind and nature, from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder, by the City, the Bank or by anyone on their respective behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the trust estate, including all additional property which by the terms hereof has or may become subject to the encumbrances of this Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Refunded 2007 Bank Bonds; but if the Refunded 2007 Bank Bonds shall be fully and promptly paid when due, in accordance with the terms thereof and hereof, then this Agreement shall be and become void and of no further force and effect, otherwise the same shall remain in full force and effect, and upon the trusts and subject to the covenants and conditions hereinafter set forth.

DEFINITIONS

SECTION 1.1 DEFINITIONS. In addition to words and terms elsewhere defined in this Agreement, the following words and terms as used in this Agreement shall have the following meanings, unless some other meaning is plainly intended.

"Agreement" shall mean this Escrow Deposit Trust Agreement, dated as of __, 2015, by and among, the Bank, the City and the Escrow Agent.

"Authorized Newspaper" shall mean both a newspaper or financial journal of general circulation in New York, New York, printed in the English language, being customarily published on each business day whether or not published on Saturdays, Sundays or holidays, such as The Bond Buyer.

"Bond Resolution" shall mean the Bond Resolution of the City dated __, 2015, pursuant to which the Series 2015 Bonds are issued and secured.

"City" shall mean City of Petal, Mississippi.

DIVISION I

WHEREAS, the Bank and the City have determined that it is in the best interest of the Bank and the City to deposit in trust with the Escrow Agent the Escrowed 2007 Securities the principal of and the interest on which when due will provide moneys which, together with cash, if any, deposited with the Escrow Agent at the same time, will be sufficient, to pay the interest due and principal to become due on the Refunded 2007 Bank Bonds on or before the Callable 2007 Bank Bonds Redemption Date, and to pay the principal due for the Callable 2007 Bank Bonds on or before the Callable 2007 Bank Bonds Redemption Date, at a redemption price of par; and

WHEREAS, in order to deposit such amount of moneys and Escrowed Securities in trust, the City has authorized and delivered its \$ _____ Combined Water and Sewer System Revenue Refunding Bonds, Series 2015, dated __, 2015 (the "Series 2015 Bonds"), to be used to provide funds to finance (i)(a)(1) the refinance, prepayment and advance refunding of the Refunded 2006 Note, and (2) the subsequent corresponding advance refunding of the Refunded 2006 Bank Bonds (together, (1) and (2) constitute the "Refunding 2006 Project"), (b)(1) the refinance, prepayment and advance refunding of the Refunded 2007 Note, and (2) the subsequent corresponding advance refunding of the Refunded 2007 Bank Bonds (together, (1) and (2) constitute the "Refunding 2007 Project") and together with the Refunding 2006 Project, the "Refunding Project"; (ii) funding a debt service reserve fund for the Bonds, including a premium for a surety bond, if applicable, and (iii) paying the costs of issuance of the Series 2015 Bonds, including a premium for bond insurance, if applicable; and

WHEREAS, a portion of the proceeds derived from the Series 2015 Bonds, in addition to other available funds received by the Escrow Agent, will be applied to the purchase of certain 2007 Escrowed Securities, which principal amount of 2007 Escrowed Securities will mature and produce investment income and earnings at such times and in such amounts together with certain amounts held in cash as will be sufficient to pay when due all of the principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds including the redemption price of the Callable 2007 Bank Bonds; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in said trust, the maturing principal amount of the Escrowed Securities purchased or transferred thereby and investment income and earnings derived therefrom to the payment of the Refunded 2007 Bank Bonds, it is necessary to enter into this Agreement with the Escrow Agent on behalf of the holders from time to time of the Refunded 2007 Bank Bonds.

NOW, THEREFORE, the City and the Bank by approving this Agreement, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Refunded 2007 Bank Bonds and the Refunded 2007 Note according to their respective tenor and effect, by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alienate, give, set over and confirm, unto the Escrow Agent, and its successors in the trusts hereby created, and to it and its assigns forever, all and singular, the property hereinafter described, to wit:

EXHIBIT "C"

"SLGS" shall mean United States Securities State and Local Government Series ("SLGS").

"Trust Estate", "trust estate" or "pledged property" shall mean the property, rights and interest of the Bank and the City which are subject to the lien of this Agreement.

"2007 Escrowed Securities" shall mean together the SLGS and U. S. Obligations, if any.

"2007 Indenture" shall mean the Indenture of Trust, dated February 1, 2007, by and between the Bank and Hancock Bank, Gulfport, Mississippi, securing the 2007 Bank Bonds.

"2007 Trustee" and "2007 Paying Agent" shall mean Hancock Bank, Gulfport, Mississippi, in its capacity as trustee under the 2007 Indenture.

"U. S. Obligations" shall mean the direct obligations of the United States of America Treasury or such other federal securities as may be permitted under regulations issued pursuant to Section 149(b) of the Internal Revenue Code of 1986, as amended, which shall be Government Obligations under the 2007 Indenture.

"Written Request" with respect to the City shall mean a request in writing signed by the Mayor of the City, or by any other officer of the City duly authorized and satisfactory to the Escrow Agent and with respect to the Bank shall mean a request in writing signed by the Executive Director or Secretary of the Bank or by any other officer of the Bank authorized and satisfactory to the Escrow Agent.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ESTABLISHMENT OF FUNDS: FLOW OF FUNDS

SECTION 1.2 CREATION OF ESCROW DEPOSIT TRUST FUND. There is hereby created and established with the Escrow Agent for the Refunded 2007 Bank Bonds a special and irrevocable trust fund designated the 2007 Escrow Deposit Trust Fund (the "2007 Escrow Deposit Trust Fund") to be held in the custody of the Escrow Agent separate and apart from other funds of the Bank, the City and the Escrow Agent. The 2007 Escrow Deposit Trust Fund shall be administered pursuant to this Agreement.

Concurrently with the delivery of the Series 2015 Bonds and the receipt of proceeds therefor, the City herewith deposits or causes to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$ _____ (the "2007 Escrow Requirement"). The 2007 Escrow Requirement is to be deposited to the 2007 Escrow Deposit Trust Fund. As set forth in the verification report

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(the "Verification Report") of The Arbitrage Group, Inc. (the "Verification Agent"), delivered on _____, 2015, by the Bank and the City to the Escrow Agent, the amount of the 2007 Escrow Requirement will be sufficient to purchase the 2007 Escrowed Securities, which will mature in principal amounts and earn income and earnings at such times, all as described in SCHEDULE A, so that sufficient moneys will be available to pay (i) the interest due and principal payable on the Refunded 2007 Bank Bonds each January 1 and July 1, commencing July 1, 2015 through and including July 1, 2017, and (ii) to pay the principal outstanding of the Callable 2007 Bank Bonds on the Callable 2007 Bank Bonds Redemption Date at a redemption price of par.

The Verification Agent has verified that the deposit in escrow of the 2007 Escrow Requirement will produce sufficient funds to pay interest due and principal payable on the Refunded 2007 Bank Bonds until July 1, 2017, and to redeem on said date all of the Callable 2007 Bank Bonds maturing thereafter, all of which have been called for redemption on said date, at a redemption price of par.

SECTION 1.3

IRREVOCABLE TRUST CREATED.

The deposit of moneys for the 2007 Escrow Requirement including the 2007 Escrowed Securities in the 2007 Escrow Deposit Trust Fund shall constitute an irrevocable deposit of such moneys and 2007 Escrowed Securities for the benefit of the holders of the Refunded 2007 Bank Bonds, except as provided herein with respect to amendments permitted under Section 4.01 hereof. The holders of the Refunded 2007 Bank Bonds shall have an express lien on all moneys and principal of and earnings on the 2007 Escrowed Securities deposited in the 2007 Escrow Deposit Trust Fund until applied in accordance with this Agreement. The matured principal of the 2007 Escrowed Securities and the interest thereon shall be held in trust by the Escrow Agent, and shall be transferred in the necessary amounts as hereinafter set forth in Section 2.05 to the 2007 Trustee for the Refunded 2007 Bank Bonds for the payment of interest and principal on the Refunded 2007 Bank Bonds as the same becomes due and payable and to the payment of the principal outstanding of the Callable 2007 Bank Bonds on the Callable 2007 Bank Bonds Redemption Date.

SECTION 1.4 PURCHASE OF ESCROWED SECURITIES.

The Escrow Agent is hereby directed to purchase immediately the 2007 Escrowed Securities listed on SCHEDULE A. The Escrow Agent shall purchase the 2007 Escrowed Securities solely from the 2007 Escrow Requirement moneys deposited in the 2007 Escrow Deposit Trust Fund. The Escrow Agent shall apply the moneys deposited in the 2007 Escrow Deposit Trust Fund, and the 2007 Escrowed Securities purchased therewith, together with all income or earnings thereon, in accordance with the provisions hereof. The Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the 2007 Escrowed Securities held hereunder or to sell, transfer or otherwise dispose of the 2007 Escrowed Securities acquired hereunder except as provided in this Agreement.

SECTION 1.5

SUBSTITUTION OF OBLIGATIONS.

Notwithstanding any other provision of this Agreement, at the Written Request of the City, with the approval of the Bank, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of or request the

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principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds for the equal and ratable benefit of the holders of the Refunded 2007 Bank Bonds. Currently, principal, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds are payable at the principal office of the 2007 Paying Agent in Birmingham, Alabama.

SECTION 1.7

INVESTMENT OF CERTAIN MONEYS

REMAINING IN TRUST FUNDS. Any moneys remaining from time to time in the 2007 Escrow Deposit Trust Fund until such time that they are needed may be invested and reinvested in 2007 Escrowed Securities maturing no later than the next interest payment date or Callable 2007 Bank Bonds Redemption Date of the Callable 2007 Bank Bonds, or such periods or at such interest rates that the Escrow Agent shall be directed to invest by a Written Request of the City, as approved by the Bank, which must be accompanied by an opinion of Butler Snow LLP, or any other nationally recognized bond counsel which opinion shall also be to the effect that such reinvestment of such moneys and the interest rate on such moneys will not, under the statutes, rules and regulations then in force and applicable to obligations issued on the date of issuance of the Series 2015 Bonds or the Refunded 2007 Bank Bonds, cause the interest on the 2007 Bank Bonds to be subject to federal income taxation. In addition, the Escrow Agent shall receive from a nationally recognized independent certified public accounting firm a certification that, immediately after such transaction, the principal of and the interest on the 2007 Escrowed Securities in the 2007 Escrow Deposit Trust Fund when due and paid will, together with any other moneys held for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds, when due. Any interest income, earnings or gain resulting from such reinvestment of moneys shall be released from the Trust Estate and transferred to the City. To the extent amounts are not reinvested in accordance with the provisions of this Section 2.06, such amounts shall be held uninvested as provided in the Verification Report.

SECTION 1.8 FUNDS AND ACCOUNTS CONSTITUTE TRUST FUNDS.

All the funds and accounts created and established pursuant to this Agreement shall be and constitute trust funds for the purposes provided in this Agreement and shall be kept separate and distinct from all other funds of the Bank, the City and the Escrow Agent and used only for the purposes and in the manner provided in this Agreement.

SECTION 1.9 TRANSFER OF FUNDS AFTER ALL PAYMENTS REQUIRED BY THIS AGREEMENT ARE MADE.

After all of the transfers by the Escrow Agent to the 2007 Trustee for payment of the principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds have been made, all remaining moneys and 2007 Escrowed Securities, together with any income and interest thereon, in the 2007 Escrow Deposit Trust Fund, shall be transferred by the Escrow Agent to the City for deposit in the 2015 Debt Service Fund created by the Bond Resolution and used for the purposes described therein; provided, however, that no such transfer shall be made until all of the principal of, redemption premium, if any, and interest on the outstanding Refunded 2007 Bank Bond, have been paid in full.

SECTION 1.10 REFERENCE NOTICE, REDEMPTION NOTICE AND ADDITIONAL NOTICES.

(i) The Bank and the City hereby direct the Escrow Agent, and

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redemption of the 2007 Escrowed Securities held hereunder and to substitute therefor 2007 Escrowed Securities; provided, however, the foregoing may be effected only if: (i) the substitution of the 2007 Escrowed Securities for the substituted 2007 Escrowed Securities occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the 2007 Escrow Deposit Trust Fund to the 2007 Trustee for the payment of principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds, will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive from a nationally recognized independent certified public accountant firm a certification that, immediately after such substitution, the principal of and the interest on the 2007 Escrowed Securities in the 2007 Escrow Deposit Trust Fund when due and paid will, together with any other moneys held for such purpose, be sufficient to pay the principal of, redemption premium, if any, and interest on the Refunded 2007 Bank Bonds, when due, in accordance with this Agreement; and (iv) the Escrow Agent shall receive an opinion from Butler Snow LLP, or from any other nationally recognized attorneys on the subject of municipal bonds, to the effect that the disposition and substitution or purchase of such 2007 Escrowed Securities will not, under the statutes, rules, regulations and court decisions then in force and applicable to the Refunded 2007 Bank Bonds, impair the federal tax-exempt status of the interest on the 2007 Bank Bonds and that such disposition and substitution or purchase is not inconsistent with the statutes and regulations applicable to the 2007 Bank Bonds, and that the conditions of this Section 2.04 have been satisfied. Any surplus moneys resulting from the sale, transfer, other disposition or redemption of the 2007 Escrowed Securities held hereunder and the substitutions therefor of 2007 Escrowed Securities, shall be released from the Trust Estate and shall be transferred to the City for deposit in the 2015 Debt Service Fund for the Series 2015 Bonds as described in the Bond Resolution and used for the purposes described therein.

The City hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding paragraph in any manner which will cause the 2007 Bank Bonds to be arbitrage bonds within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder in effect on the date of such request and applicable to obligations issued on the issue date of the 2007 Bank Bonds. The Escrow Agent shall purchase such substituted securities with the proceeds derived from the maturity, sale, transfer, disposition or redemption of the 2007 Escrowed Securities held hereunder or from other moneys available.

SECTION 1.6

TRANSFERS FROM 2007 ESCROW

DEPOSIT TRUST FUND. As the principal of the 2007 Escrowed Securities set forth in SCHEDULE A (subject to the reinvestment, if any, of the principal and interest made pursuant to Section 2.06 and the application of investment earnings in accordance with Section 2.06), shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall, no later than each interest payment date for the Refunded 2007 Bank Bonds, transfer from the 2007 Escrow Deposit Trust Fund to the 2007 Trustee for the Refunded 2007 Bank Bonds amounts sufficient to pay the interest and principal on the Refunded 2007 Bank Bonds coming due on each interest payment date and to pay the principal outstanding of the Callable 2007 Bank Bonds on the Callable 2007 Bank Bonds Redemption Date, all as set forth in SCHEDULE B hereto. Such amounts shall be applied by the 2007 Trustee to the payment of all

EXHIBIT "C"

the Escrow Agent hereby agrees, to cause to be prepared and published in the form thereof as attached hereto as SCHEDULE C, within 30 days after the 2007 Escrowed Securities are deposited with it, and at the expense of the City (subject to Section 3.10 hereof) a notice to the holders of the Refunded 2007 Bank Bonds setting forth that the irrevocable deposit of moneys and investment thereof has been made in accordance with Article IX of the 2007 Indenture, and (i) that all the Callable 2007 Bank Bonds maturing on July 1 in the years 20 through 20, both inclusive, will be redeemed on at a redemption price of par, (ii) a description of the 2007 Escrowed Securities so held by it, and (iii) that the lien of the 2007 Indenture on the Refunded 2007 Bank Bonds has been released in accordance with the provisions of the 2007 Indenture.

(ii) The Bank and the City hereby direct the Escrow Agent, and the Escrow Agent hereby agrees, (a) to redeem in accordance with the 2007 Indenture all of the Callable 2007 Bank Bonds outstanding under the 2007 Indenture as of and (b) to cause to be prepared and published or mailed, as the case may be, in connection with the redemption of the Refunded 2007 Bank Bonds under the 2007 Indenture, all notices required under Article IV of the 2007 Indenture or required or recommended, from time to time, by the Securities and Exchange Commission (in accordance with the standards endorsed by the Securities and Exchange Commission in Release 34-2385, issued December 3, 1986) and by the Municipal Securities Rulemaking Board, to the extent applicable.

CONCERNING THE ESCROW AGENT

SECTION 1.11 APPOINTMENT OF THE ESCROW AGENT. The City hereby appoints as the Escrow Agent under this Agreement.

SECTION 1.12 ACCEPTANCE BY ESCROW AGENT. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the trust hereby created.

SECTION 1.13 LIABILITY OF ESCROW AGENT. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligent action, its own negligent failure to act or its own willful misconduct, except as may be provided to the contrary in the 2007 Indenture.

The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investment in the 2007 Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the

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SECTION 1.17 APPOINTMENT OF SUCCESSOR ESCROW AGENT. If no successor escrow agent shall have been appointed and shall have accepted such appointment within thirty (30) days after such notice of resignation, the resigning escrow agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent, or any registered holder of the Refunded 2007 Bank Bonds, who has been a bona fide holder for at least six (6) months may, on behalf of himself and others similarly situated, petition any such court for the appointment of a successor escrow agent. Such court may thereupon, after such notice, if any, as it may deem proper and prescribed, appoint a successor escrow agent. Any resignation by the Escrow Agent and appointment of a successor escrow agent in accordance with the provisions set forth herein shall become effective upon acceptance of appointment by the successor escrow agent in accordance with the provisions set forth herein.

Any successor escrow agent appointed under the provisions of this Agreement shall be a corporation organized and doing business under the laws of the United States or any state authorized under such laws to exercise corporate trust powers, having its principal office and place of business in any state, having a combined capital and surplus of at least \$10,000,000, and subject to supervision or examination by federal or state authority. If such corporation published reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Escrow Agent shall cease to be eligible in accordance herewith, the Escrow Agent shall resign immediately in the manner and with the effect specified in Section 3.05 hereof.

SECTION 1.18 VESTING OF TRUSTS IN SUCCESSOR ESCROW AGENT. Any successor escrow agent appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the City and the Bank, an instrument in writing accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor escrow agent shall become effective; and such successor escrow agent, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as escrow agent herein; but, nevertheless, on the Written Request of the City, as approved by the Bank, or the request of the successor escrow agent, the Escrow Agent ceasing to act. Upon request of any such successor escrow agent, the City and the Bank shall execute any and all instruments in writing for more fully and certainly vesting in and conforming to such successor escrow agent all such rights, powers and duties.

Upon acceptance of appointment by a successor escrow agent as heretofore provided, the City and the Bank shall publish notice of the succession of such escrow agent to the trust der. Such notice shall be published at least once in an Authorized Newspaper. If the City or the Bank fail to publish such notice within ten (10) days after acceptance of appointment by the successor escrow agent, the successor escrow agent shall cause such notice to be published at the expense of the City.

Any corporation into which the Escrow Agent may be merged or with which it may consolidate or any corporation resulting from any merger or consolidation to which the Escrow Agent shall be a party, or any corporation succeeding to the business of the Escrow Agent,

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2007 Escrow Deposit Trust Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the 2007 Escrowed Securities and the earnings thereon to pay the Refunded 2007 Bank Bonds. So long as the Escrow Agent applies any moneys, the 2007 Escrowed Securities and the interest earnings therefrom to pay the Refunded 2007 Bank Bonds as provided herein, and complies fully with the terms of this Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Refunded 2007 Bank Bonds caused by such calculations.

In the event of the Escrow Agent's failure to account for any of the 2007 Escrowed Securities or moneys received by it, such 2007 Escrowed Securities or moneys shall be and remain the property of the City and the Bank in trust for the holders of the Refunded 2007 Bank Bonds as herein provided.

SECTION 1.14 PERMITTED ACTS. The Escrow Agent and its officers and directors may acquire and hold, or become the owner or pledge of or may deal in the Refunded 2007 Bank Bonds and the Series 2015 Bonds as fully and with the same rights as if it were not the Escrow Agent.

SECTION 1.15 RESIGNATION OF ESCROW AGENT. The Escrow Agent or any successor escrow agent, at the time acting hereunder, may at any time resign and be discharged from the duties and obligations of the trust hereby created by giving 60 days' written notice to the City and the Bank, and by giving to the registered holders of the Refunded 2007 Bank Bonds notice of such resignation by first class mail. Upon receiving such notice of resignation, the City and the Bank shall promptly appoint a successor escrow agent by an instrument in writing.

SECTION 1.16 REMOVAL OF ESCROW AGENT. Upon the Written Request of the City, with the approval of the Bank, the Escrow Agent may be removed at any time if (i) the Escrow Agent shall cease to be eligible in accordance with the provisions set forth herein and shall fail to resign after Written Request therefor from the City or from any registered holder of the Refunded 2007 Bank Bonds who has been a bona fide holder of a refunded bond for at least six (6) months, or (ii) the Escrow Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Escrow Agent or of its property shall be appointed, or any public officer shall take charge or control of the Escrow Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

The Escrow Agent may also be removed by the registered holders of the Refunded 2007 Bank Bonds of a majority in aggregate principal amount of the Refunded 2007 Bank Bonds at the time outstanding by an instrument or concurrent instruments in writing signed by such registered holders of the Refunded 2007 Bank Bonds.

Any removal of the Escrow Agent and appointment of a successor escrow agent in accordance with the provisions set forth herein shall become effective upon acceptance of appointment by the successor escrow agent as provided herein.

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shall be the successor to the Escrow Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor escrow agent shall be eligible under the provisions thereof.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Agreement and otherwise qualified to act as Escrow Agent hereunder with or into which the bank or trust company acting as Escrow Agent may be merged or consolidated, or to which the assets and business of such bank or trust company may be sold, shall be deemed the successor of the Escrow Agent.

SECTION 1.19 RECEIPT OF PROCEEDINGS. Possession of or receipt of true and correct copies of the 2007 Indenture and the proceedings authorizing the issuance of the 2007 Bank Bonds are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of such documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

SECTION 1.20 ARRANGEMENTS FOR PAYMENT OF ALL OTHER SUMS PAYABLE UNDER THE 2007 INDENTURE. The Escrow Agent hereby acknowledges that the City has paid, caused to be paid or made arrangements satisfactory to the Escrow Agent for payment of all other sums (in addition to debt service on the Refunded 2007 Bank Bonds) payable under the 2007 Indenture until the Refunded 2007 Bank Bonds are paid as provided in Section 2.01 hereof. If such arrangements for fees and expenses shall include a prepayment of all or part thereof and if the Escrow Agent resigns or is removed in accordance with Section 3.05 and 3.06 hereof, the Escrow Agent agrees to return to the City that portion of the prepaid fee which is attributable to that part of the trust which is then still to be administered.

MISCELLANEOUS

SECTION 1.21 AMENDMENTS TO

exempt status of the interest on the 2007 Bank Bonds under the federal and State of Mississippi law will not be adversely affected), without the consent of, or notice to, such holders, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Agreement;
- (b) To grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded 2007 Bank Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

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EXHIBIT "C"

(c) To subject to the lien of this Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of nationally recognized attorneys on the subject of municipal bonds with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded 2007 Bank Bonds, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 1.22 SEVERABILITY. If any one or more of the covenants or agreements provided in this Agreement on the part of the Bank, the City or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 1.23 AGREEMENT BINDING. All the covenants, promises and agreements in this Agreement contained by or on behalf of the Bank, the City, or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 1.24 TERMINATION. This Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 1.25 GOVERNING LAW. This Agreement shall be governed by the applicable law of the State of Mississippi.

SECTION 1.26 EXECUTION BY COUNTERPARTS. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized officers or officials.

[SEAL] MISSISSIPPI DEVELOPMENT BANK

BY:
Executive Director

ATTEST:

BY:
Secretary

CITY OF PETAL, MISSISSIPPI

[SEAL]

BY:
Mayor

ATTEST:

BY:
City Clerk

Signature Page to Escrow Deposit Trust Agreement dated as of ____, 2015, by and among the Mississippi Development Bank, City of Petal, Mississippi and _____, as Escrow Agent.

as Escrow Agent

BY:

SCHEDULE A
ESCROW DEPOSIT TRUST FUND INVESTMENTS

Signature Page to Escrow Deposit Trust Agreement dated as of ____, 2015, by and among the Mississippi Development Bank, City of Petal, Mississippi and _____, as Escrow Agent.

EXHIBIT "C"

SCHEDULE B
DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2007 BANK BONDS

SCHEDULE C
NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

\$ _____,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2007
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: DECEMBER 13, 2007

Maturing July 1, 2027 through and including July 1, 2032

Notice is hereby given to the holders of the above-captioned obligations (hereinafter referred to as the "Refunded 2007 Bank Bonds") that there has been deposited in an irrevocable escrow account held by _____ as Escrow Agent, \$ _____ which will provide moneys which shall be sufficient to pay principal of, premium, if any, and interest on the Refunded 2007 Bank Bonds on and prior to their redemption or maturity dates thereof, as described below.

Moneys will be available for the payment of interest on the Refunded 2007 Bank Bonds due on January 1 and July 1, commencing July 1, 2015, to and including July 1, 2017. All of the Refunded 2007 Bank Bonds maturing on or after July 1, 2027, will be called for redemption on July 1, 2017 at a price of par. The Refunded 2007 Bank Bonds are deemed to have been paid in accordance with Article IX of that certain Indenture of Trust dated December 13, 2007, by and between the Mississippi Development Bank and Regions Bank, Birmingham, Alabama (the "2007 Trustee") (the "2007 Indenture"). Accordingly, the right, title and interest of the holders of the Refunded 2007 Bank Bonds in the 2007 Indenture and other moneys as provided in the 2007 Indenture, have ceased, determined and become null and void.

The holders of the Refunded 2007 Bank Bonds are entitled for payment (from the 2007 Trustee for the Refunded 2007 Bank Bonds) solely out of the moneys or securities so deposited in such escrow account.

Dated this _____ day of _____, 2015.

By: _____
_____ as Escrow Agent

CAT Equipment for sell		2/11/2015				
vendor bidding						
equipment	277B	262C	303CR	416D	D5G	
Nick Foster				\$ 9,500.00	\$ 26,500.00	\$ 36,000.00
C&C	\$ 12,100.00	\$ 18,400.00	\$ 11,750.00	\$ 17,500.00	\$ 37,300.00	\$ 97,050.00
Puckett				\$ 20,500.00	\$ 33,000.00	\$ 53,500.00
Jeff Martin	\$ 18,012.00	\$ 21,012.00	\$ 20,012.00	\$ 22,012.00	\$ 40,012.00	\$ 121,060.00
Jebb Clearman	\$ 9,500.00	\$ 12,750.00	\$ 7,500.00	\$ 10,250.00	\$ 21,750.00	\$ 61,750.00
Ellis Trk & Equip	\$ 12,500.00		\$ 13,600.00	\$ 15,600.00	\$ 38,700.00	\$ 80,400.00
Fairley	\$ 12,777.00	\$ 15,692.00	\$ 11,292.00	\$ 16,577.00	\$ 28,777.00	\$ 85,115.00

Note: Bids were opened at 10a Wednesday 2/11/2015

ORDINANCE 2007 (6-2)

EXHIBIT "E"
AN ORDINANCE AMENDING ORDINANCE 2007 (6), ARTICLE 3, SECTION B OF THE FLOOD
DAMAGE PREVENTION ORDINANCE OF THE CITY OF PETAL, MISSISSIPPI

BE IT ORDAINED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL,
MISSISSIPPI:

SECTION I: The following article of Ordinance 2007 (6) be amended as follows:

ARTICLE 3 GENERAL PROVISIONS

SECTION B. BASIS FOR ESTABLISHING THE AREAS OF SPECIAL FLOOD HAZARD

The areas of special flood hazard identified by the Federal Emergency Management Agency in the current scientific and engineering report entitled, "The Flood Insurance Study (FIS) for Forrest County, Mississippi and Incorporated Areas," dated March 16, 2015, with accompanying flood insurance rate maps (FIRM)

Map Number	Map Revised Date	Map Number	Map Revised Date
28035CIND0B	March 16, 2015	28035C0126D	March 2, 2010
28035C0044D	March 2, 2010	28035C0127D	March 2, 2010
28035C0063D	March 2, 2010	28035C0128D	March 2, 2010
28035C0106D	March 2, 2010	28035C0129D	March 2, 2010
28035C0107D	March 2, 2010	28035C0135D	March 2, 2010
28035C0109E	March 16, 2015	28035C0140D	March 2, 2010

And other supporting data are adopted by reference and declared to be a part of this ordinance. The Flood Insurance Study and / or maps are on file at the Building Department Office of the City of Petal located at 101 West 8th Avenue, Petal Mississippi.

SECTION II. This Ordinance shall be in full force and effect thirty (30) days from and after its passage.

SECTION III. That except as amended herein, Ordinance No. 2007 (6), and all other amendments thereof, be, and shall remain in full force and effect.

The above and foregoing Ordinance having been presented, first section by section, and then as a whole, with the following vote as to section by section:

Those present and voting "AYE" and in favor of the passage, adoption, approval of Sections I, II, and III of the foregoing Ordinance:

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

Those present and voting "NAY" of against any of section of the foregoing Ordinance:

NONE

Those present and voting "AYE" and in favor of the passage, adoption, approval of the foregoing Ordinance as a whole:

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
ALDERMAN CLINT MOORE
ALDERMAN STEVE STRINGER

Those present and voting "NAY" of against the passage, adoption and approval of the foregoing Ordinance as a whole:

NONE

The above and foregoing Ordinance, being dully adopted and approved, on this 17TH day of February, A. D., 2015.




HAL MARX, MAYOR


MELISSA MARTIN, CITY CLERK

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EXHIBIT "F"

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE PAY SCALE FOR THE BUILDING DEPT

IT IS HEREBY ORDERED THAT THE PAY SCALE FOR THE BUILDING DEPT IS AS FOLLOWS:

AMY HEATH	\$45,840.00
KERRY SMITH	\$ 13.75 PER HOUR (24 hrs/week)

IT IS FURTHER ORDERED THAT THIS PAY SCALE TAKE EFFECT ON FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE PAY SCALE FOR DISPATCHERS IN THE
POLICE DEPARTMENT

IT IS HEREBY ORDERED THAT THE PAY SCALE FOR DISPATCHERS IS AS FOLLOWS:

1 ST CLASS DISPATCHER	\$13.74 PER HOUR
2 ND CLASS DISPATCHER	\$13.05 PER HOUR
3 RD CLASS DISPATCHER	\$12.60 PER HOUR
RECRUIT	\$12.14 PER HOUR
PART TIME DISPATCHER	\$10.00 PER HOUR

IT IS FURTHER ORDERED THAT THIS PAY SCALE TAKE EFFECT ON FEBRUARY 18, 2015.

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY
OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO INCREASE
THE SALARY OF THE FINANCIAL DEPARTMENT.

MELISSA MARTIN	\$50,000.00 ANNUAL
LYNN CAMPFIELD	\$18.60 PER HOUR
WENDY LAMPTON	\$18.60 PER HOUR

IT IS THEREFORE ORDERED THAT THIS PAY SCALE BECOME
EFFECTIVE FEBRUARY 18, 2015 UNTIL FURTHER ORDERS OF THE MAYOR
AND BOARD OF ALDERMEN.

SO ORDERED ON THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY
OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO INCREASE
THE SALARY OF THE JUDICIAL DEPARTMENT.

MICHELLE STREBECK	\$42,800.00
MELISSA CREEL	\$12.33 PER HOUR
MUNICIPAL JUDGE	\$13,600.00
JUDGE PRO TEMP	\$ 3,640.00
PUBLIC DEFENDER	\$ 7,000.00
PROSECUTOR	\$11,800.00
ASST. PROSECUTOR	\$ 750.00

IT IS THEREFORE ORDERED THAT THIS PAY SCALE BECOME
EFFECTIVE FEBRUARY 18, 2015 UNTIL FURTHER ORDERS OF THE MAYOR
AND BOARD OF ALDERMEN.

SO ORDERED ON THIS THE 17TH DAY OF FEBRUARY 2015

CITY OF PETAL
MINUTE BOOK 34

EXHIBIT "F"

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE SALARY OF THE PUBLIC WORKS DIRECTOR

IT IS HEREBY ORDERED THAT LARRY CARRAWAY BE RAISED TO
\$50,000.00 ANNUALLY EFFECTIVE FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE Mayor and Board of Aldermen of the City of Petal, Mississippi
do hereby deem it necessary to increase the pay scale for the Police Department.

IT IS HEREBY ordered that the new pay scale for the Police Department
employees shall read as follow:

POLICE CHIEF	\$50,000.00
ASST. CHIEF	\$47,000.00
CAPTAIN	\$44,000.00
LIEUTENANT	\$19.47 PER HOUR (80) \$40,500.00
DETECTIVE SERGEANT	\$18.75 PER HOUR (80) \$39,000.00
PATROL SERGEANT	\$17.86 PER HOUR (84) \$39,000.00
PATROLMAN 1 ST CLASS	\$16.18 PER HOUR \$35,335.00
PATROLMAN 2 ND CLASS	\$15.72 PER HOUR \$34,335.00
PATROLMAN 3 RD CLASS	\$15.26 PER HOUR \$33,335.00
PATROLMAN 4 TH CLASS	\$14.81 PER HOUR \$32,335.00
ADMINISTRATIVE ASST	\$15.77 PER HOUR \$32,800.00
MOTOR OFFICERS	\$17.47 PER HOUR (80) \$36,335.00
METRO OFFICER	\$17.47 PER HOUR (80) \$36,335.00
PART TIME OFFICER	\$11.00 PER HOUR

IT IS FURTHER ordered that this pay scale shall become effective February 18,
2015.

SO ORDERED by the Mayor and Board of Aldermen of the City of Petal,
Mississippi on this the 17th day of February 2015.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE SALARY OF TOM HARDGES IN
THE RECREATION DEPT

IT IS HEREBY ORDERED THAT TOM HARDGES BE RAISED TO
\$45,840.00 ANNUALLY EFFECTIVE FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE PAY RATE OF WANDA LEE IN THE
EXECUTIVE DEPT

IT IS HEREBY ORDERED THAT WANDA LEE BE RAISED TO
\$12.02 PER HOUR EFFECTIVE FEBRUARY 18, 2015

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

CITY OF PETAL
MINUTE BOOK 34

EXHIBIT "F"

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL DEEM IT NECESSARY TO
RAISE THE PAY SCALE FOR THE WATER DEPT

IT IS HEREBY ORDERED THAT THE PAY SCALE FOR THE WATER DEPT IS AS FOLLOWS:

PAULA KING	\$14.96 PER HOUR
JOY DEVLIN	\$14.69 PER HOUR

IT IS FURTHER ORDERED THAT THIS PAY SCALE TAKE EFFECT ON FEBRUARY 18, 2015.

SO ORDERED THIS THE 17TH DAY OF FEBRUARY 2015

ORDER

WHEREAS, THE Mayor and Board of Aldermen of the City of Petal, Mississippi
do hereby deem it necessary to increase the pay scale for the Fire Department.

IT IS HEREBY ordered that the new pay scale for the Fire Department
employees shall read as follow:

FIRE CHIEF	\$50,000.00
LOGISTICS CHIEF	\$20.00 PER HOUR
BATTALION CHIEF	\$15.50 PER HOUR
LIEUTENANT	\$14.00 PER HOUR
ENGINEER	\$12.95 PER HOUR
FIREMAN 1 ST CLASS	\$12.50 PER HOUR
FIREMAN 2 ND CLASS	\$11.75 PER HOUR
FIREMAN 3 RD CLASS	\$11.00 PER HOUR
RECRUIT	\$10.00 PER HOUR
PROBATIONARY	\$ 8.90 PER HOUR
1 ST CLASS DISPATCH	\$13.74 PER HOUR

IT IS FURTHER ordered that this pay scale shall become effective February 18,
2015.

SO ORDERED by the Mayor and Board of Aldermen of the City of Petal,
Mississippi on this the 17th day of February 2015.

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