

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 NOVEMBER 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 STEVE STRINGER |
| OTHERS | VALERIE WILSON ADA MADISON BERNARD JACKSON AND MANY OTHERS |

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

THE INVOCATION WAS OFFERED BY CRAIG BULLOCK

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR MARX PRESENTED THE AGENDA

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ADOPT THE AGENDA. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO APPROVE THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 3, 2015.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO APPROVE THE MINUTES OF THE REGULAR MEETING OF NOVEMBER 3, 2015 AS WRITTEN. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX CALLED FOR PUBLIC COMMENT.

THEREUPON, SAM COLVIN OF 143 N RAILROAD ST, ADDRESSED THE BOARD REGARDING LOW WATER PRESSURE AT HIS RESIDENCE. MR. COLVIN ALSO ADDRESSED CONCERNS ABOUT CODE VIOLATIONS AT HIS HOME. ALDERMAN KING TOLD HIM TO PUT ANY JUNK HE NEEDS TO GET RID OF OUT TO THE ROAD AND WASTEPRO SHOULD PICK IT UP.

THEREUPON, H A DRAUGHN ADDRESSED THE BOARD. MR. DRAUGHN PROVIDED A RECEIPT FOR PAYMENT OF HIS WATER BILL THAT WAS NOT APPLIED TO HIS ACCOUNT. CITY CLERK POSTED THE RECEIPT TO HIS ACCOUNT AND ADVISED HIM THAT ANY LATE FEES WOULD BE REMOVED.

THEREUPON, RICHARD CLIFTON ADDRESSED THE BOARD REGARDING RIVERSIDE MUFFLER. MR. CLIFTON SAID HE CANNOT GET THE HEALTH DEPT TO GIVE HIM WRITTEN PERMISSION FOR A HOLDING TANK AT RIVERSIDE MUFFLER. HE HAS BEEN UNABLE TO CONTACT THE ARMY CORP OF ENGINEERS.

THEREUPON, BRIAN HARRIS ADDRESSED THE BOARD REGARDING WASTE PRO LEAVING TRASH CANS OPEN, KNOCKED OVER, ETC. MR. HARRIS WOULD LIKE TO SEE THE BOARD ADOPT AN ORDINANCE REQUIRING TRASH CANS TO BE REMOVED FROM THE STREET AFTER GARBAGE IS COLLECTED.

THEREUPON, REGINA WARD ADDRESSED THE BOARD REGARDING HER WATER BEING DISCONNECTED. MS. WARD FAILED TO UPHOLD HER HARDSHIP AGREEMENT WITH THE WATER DEPT. SHE STATED THAT SHE HAS INCOME AGAIN AND WISHES TO HAVE ANOTHER HARDSHIP AGREEMENT. BOARD OF ALDERMEN ADVISED THE CITY CLERK TO PLACE MS. WARD ON A HARDSHIP AGREEMENT UNDER THE CONDITIONS THAT SHE PAID \$100.00 BY THE END OF THIS WEEK AND AN ADDITIONAL \$300.00 BEFORE DECEMBER 31, 2015.

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING THE ISSUANCE OF GO WATER AND SEWER REFUNDING BONDS SERIES 2016

EXHIBIT "A"

RESOLUTION

THEREUPON, ALDERMAN AMACKER MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING RESOLUTION CANCELING THE LIEN ON 111 CENTRE CIRCLE

EXHIBIT "B"

RESOLUTION

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED THE FOLLOWING PROCLAMATION SETTING HOLIDAYS FOR THANKSGIVING, CHRISTMAS AND NEW YEAR'S

EXHIBIT "C"

RESOLUTION

THEREUPON, ALDERMAN KING MADE A MOTION TO ADOPT THE FOREGOING PROCLAMATION. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

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

THEREUPON, ALDERMAN KING MADE A MOTION TO ACCEPT THE REVENUE & EXPENDITURES REPORT FOR THE MONTH OF OCTOBER 2015. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ADJUST WATER SERVICES BILLED TO 110 MAYWOOD DR

THEREUPON, ALDERMAN AMACKER NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADJUST WATER SERVICES BILLED TO 110 MAYWOOD DR IN THE AMOUNT OF \$164.50. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO ADJUST WATER SERVICES BILLED TO 304 MAYWOOD DR

THEREUPON, ALDERMAN AMACKER NOTED EVIDENCE OF A REPAIRED LEAK AND MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADJUST WATER SERVICES BILLED TO 304 MAYWOOD DR IN THE AMOUNT OF \$440.00. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN BRAD AMACKER
ALDERMAN CRAIG BULLOCK
ALDERMAN DAVID CLAYTON
ALDERMAN TONY DUCKER
ALDERMAN WILLIAM KING
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 106 JACKSON AVE

THEREUPON, ALDERMAN KING MADE A MOTION TO SET A VARIANCE HEARING DATE OF DEC. 8, 2015 AT 6:00 P.M. FOR PROPERTY LOCATED AT 106 JACKSON AVE. ALDERMAN BULLOCK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR THE FOLLOWING OFFICERS TO ATTEND "5 LEVELS OF LEADERSHIP" CLASS IN HATTIESBURG, MS

- JOSH BARHAM
- MIKE CRAWFORD
- KEN ROSS
- WAYNE BOUNDS

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE FOREGOING TO ATTEND "5 LEVELS OF LEADERSHIP" CLASS IN HATTIESBURG, MS ON DEC 9, 2015 AT A COST OF \$396.00. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR MELINDA STANDLEY TO ATTEND DISPATCH RECERTIFICATION CLASS IN GULFPORT, MS

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE MELINDA STANDLEY TO ATTEND DISPATCH RECERTIFICATION CLASS IN GULFPORT, MS ON DEC 14-15, 2015 AT A COST OF \$225.00. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO AUTHORIZE SAMMY RAY TO ATTEND "CRIME SCENE INVESTIGATION" CLASS IN BILOXI, MS

THEREUPON, ALDERMAN KING MADE A MOTION TO AUTHORIZE SAMMY RAY TO ATTEND "CRIME SCENE INVESTIGATION" CLASS IN BILOXI, MS ON DEC 6-9, 2015 AT A COST OF \$360.00. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX PRESENTED A REQUEST TO AUTHORIZE COURTNEY SNELSON AND NATE ROBERTSON TO ATTEND "CAR SEAT TECHNICIAN" TRAINING IN PETAL, MS

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE COURTNEY SNELSON AND NATE ROBERTSON TO ATTEND "CAR SEAT TECHNICIAN: TRAINING IN PETAL, MS AT A COST OF \$170.00. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR MARX REQUESTED TO SET A WORKSHOP DATE TO DISCUSS CHANGES TO THE SIGN ORDINANCE TO INCLUDE BUSINESS OWNERS, CHAMBER MEMBERS AND CITIZENS

THEREUPON, A WORKSHOP DATE OF DEC. 10, 2015 @ 6:00 P.M. WAS SET.

WHEREAS, MAYOR MARX PRESENTED A REQUEST FOR EXECUTIVE SESSION TO DISCUSS LEGAL ISSUES.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO CLEAR THE ROOM TO SEE THE NEED FOR 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN KING MADE A MOTION TO ENTER INTO EXECUTIVE SESSION. 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN AMACKER 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 STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

NONE

NO OFFICIAL ACTION WAS TAKEN IN EXECUTIVE SESSION.

THEREUPON, ALDERMAN KING MADE A MOTION TO ADJOURN THE REGULAR MEETING. 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 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 NOVEMBER 17, 2015.




MELISSA MARTIN, CITY CLERK


MAYOR HAL MARX

EXHIBIT "A"

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Board of Aldermen of the City of Petal, Mississippi:

SECTION 1. That the City Board of the City of Petal, Mississippi does hereby adjudicate and direct that the property commonly referred to as 111 Centre Circle, Petal, Mississippi and more specifically described as Lots 7&8 Northwood Park Subdivision, as per map or plat thereof on file in the Office of the Chancery Clerk of Forrest County, Mississippi shall be released from any lien or encumbrance created by that certain Resolution filed of record in Deed Book 1124, Page 225, and any such lien against said described property shall be extinguished;

SECTION 2. That public interest and necessity requiring same, this Resolution shall become effective immediately from and after passage;

SECTION 3. A copy of this Resolution will be certified and recorded in the Chancery Clerk's Office and the Tax Collector's Office of Forrest County, Mississippi.

The foregoing Resolution having been reduced to writing, the same was introduced by Alderman Amacker Seconded by Alderman King and was adopted by the following vote, to-wit:

Those present and voting "Aye"
Alderman Amacker
Alderman Bullock
Alderman Clayton
Alderman Ducker
Alderman King
Alderman Stringer
Those present and voting "Nay":
None

The Mayor hereby declared the motion carried and the Resolution adopted, this the 17 day of November, A.D. 2015.



Hal Marx
Mayor

(SEAL)

ATTEST:

Melina Martin
Melina Martin, City Clerk

PREPARED BY:
CITY OF PETAL
P.O. BOX 564
PETAL, MS 39465
601-545-1776

RETURN TO:
CITY OF PETAL
P.O. BOX 564
PETAL, MS 39465
601-545-1776

STATE OF MISSISSIPPI
COUNTY OF FORREST

INDEXING INSTRUCTIONS: Lot 7 & 8 of Northwood Park Subdivision, as per map or plat thereof on file in the Office of the Chancery Clerk of Forrest County, Mississippi and Section 36, Township 5N, Range 13W, Forrest County, Mississippi;

WHEREAS, a Resolution was filed of Record on March 28, 2012, in the office of the Chancery Clerk of Forrest County in Deed Book 1124, Page 225, relating to the adjudication and placement of a lien for clean-up costs for clean-up of certain property by the City of Petal, which clean-up was performed on or about September 2010 on behalf of the City;

WHEREAS, the property affected by the resolution was owned by Edward and Tracy Simmons at the time the work was performed in 2010 and had an address of 111 Centre Circle and a Parcel No. of 3-0220-36-068.00, said parcel being more particularly described as Lots 7&8 Northwood Park S/D B457, P378 8/78, Prev #: P63750010 Northwood Park Subdivision, as per map or plat thereof on file in the Office of the Chancery Clerk of Forrest County, Mississippi;

WHEREAS, Theobald Properties, LLC, obtained title to the property without notice of said lien by virtue of a conveyance filed of record in the office of the aforementioned chancery clerk's office in Deed Book 1120, Page 238 on January 27, 2012;

WHEREAS, Theobald Properties, LLC, was a good faith purchaser for value that obtained title to the property without actual or constructive notice of said Resolution/lien; and

WHEREAS, the Mayor and the Board of Aldermen of the City of Petal, Mississippi do hereby desire to release the above-described property from any lien or encumbrance created by the Resolution filed of record in Deed Book 1124, Page 225, for the foregoing reasons.

2015 15:36 6015456844 FORREST COUNTY CHAN PAGE 81/81

Forrest County
Electronically Recorded 20 2015 10:02:00AM
Witness my hand and seal
James C. Stewart
Chancery Clerk

Prepared by:
City of Petal
P. O. Box 564
Petal, MS 39465
601-545-1776

Return to:
City of Petal
P. O. Box 564
Petal, MS 39465
601-545-1776

INDEXING INSTRUCTIONS: LOTS 7 & 8 NORTHWOOD PARK S/D B457 P378 8/78
PREV #: P63750010
NORTHWOOD PARK SUBDIVISION
Sec. 36 TWN: 05N RGE: 13W
RESOLUTION

WHEREAS, Section 23-99-13 of the Mississippi Code of 1972, Annotated, authorized the governing authorities of municipalities to adjudicate the actual cost to the City of Petal for cleaning properties that have been determined to be in such a state of uncleanness as to be a nuisance to the public health and safety of the community, and that the owner has failed, after appropriate notice, to clean said property, and

WHEREAS, the property has been cleaned by the City of Petal on or about the 17th day of September, 2010, on behalf of the City;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and the Board of Aldermen of the City of Petal, Mississippi:

Section 1. That the City Board of the City of Petal, Mississippi does hereby adjudicate and direct the placement of an assessment the clean-up costs, not to exceed the value of the property per State Law, against the following described property:

| OWNER/LEGAL | ADDRESS | CLEAN-UP COST | PENALTY | TOTAL ASSESSED |
|------------------------|-------------------|---------------|----------|----------------|
| EDWARD & TRACY SIMMONS | 111 CENTRE CIRCLE | \$640.00 | \$320.00 | \$960.00 |

PARCEL: 3-0220-36-068.00: Better described as Lots 7 & 8 Northwood Park S/D B457 P378 8/78, PREV #: P63750010 Northwood Park Subdivision, as per map or plat thereof on file in the Office of the Chancery Clerk of Forrest County, Mississippi

Section 2. That public interest and necessity requiring same, this resolution shall become effective immediately from and after passage;

Section 3. A copy of this resolution will be certified and recorded in the Chancery Clerk's Office and the Tax Collector's Office of Forrest County, Mississippi.

The foregoing Resolution having been reduced to writing, the same was introduced by Alderman Stringer. Seconded by Alderman Clayton and was adopted by the following vote, to-wit:

Those present and voting "Aye"
Alderman David Clayton
Alderman Yore Ducker
Alderman Willie Hinton
Alderman James Runnels
Alderman Steve Stringer

Those present and voting "NAY"
None

The Mayor hereby declared the motion carried and the Resolution adopted, this the 17th day of October, A.D. 2010

Hal Marx
Mayor

(SEAL)

Melina Martin
Melina Martin, City Clerk

Inst. 688261
Bk 1124 Pg 0226



Forrest County
Electronically Recorded JANUARY 27 2012 10:45:00AM
Witness my hand and seal
James C. Stewart
Chancery Clerk

Prepared by:
Jeff C. Bowman
Jackson, Bowman & Arrington, PLLC
Post Office Box 15517
Hattiesburg, MS 39404-5517
(601) 264-3309

Return to:
Jeff C. Bowman
Jackson, Bowman & Arrington, PLLC
Post Office Box 15517
Hattiesburg, MS 39404-5517
(601) 264-3309

STATE OF MISSISSIPPI
COUNTY OF FORREST

QUITCLAIM DEED

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt, adequacy and sufficiency of all of which is hereby irrevocably acknowledged and confessed,

JOSEPH E. THEOBALD
12262 Breezeway Circle
Gulfport, MS 39503
(601) 218-3836

does hereby grant, convey and quitclaim unto

Theobald Properties, LLC,
a Mississippi limited liability company
12262 Breezeway Circle
Gulfport, MS 39503
(601) 218-3836

the following described real property lying and being situated in Forrest County, Mississippi, and being more particularly described as follows, to-wit:

(See Exhibit "A" attached)

INDEXING INSTRUCTIONS:

Lots 7 and 8, Northwood Park Subd.

Inst. 685857
Bk 1120 Pg 0238
Page 1 of 3

EXHIBIT "A"

WITNESS THE SIGNATURE of the Grantor on this, the 26th day of January, A.D., 2012.

Joseph E. Theobald
JOSEPH E. THEOBALD, GRANTOR

STATE OF MISSISSIPPI
COUNTY OF Forrest

26th PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this day of January, 2012, within my jurisdiction, the within named Joseph E. Theobald, who acknowledged that he executed the above and foregoing instrument.

Richard A. Elliott
NOTARY PUBLIC



** THIS QUITCLAIM DEED WAS PREPARED WITH OUT THE BENEFIT OF A TITLE OPINION **

Page 2 of 3
Inst. 685857
Bk 1120 Pg 0239

Page 3 of 3
Inst. 685857
Bk 1120 Pg 0240

Exhibit "A"

Lots 7 and 8 of the Northwood Park Subdivision of Forrest County, Mississippi, as per the map or plat thereof on file in the office of the Chancery Clerk of Forrest County, Mississippi; together with all improvements thereon and appurtenances thereto belonging.

More commonly known as: 111 Centre Circle, Petal, MS 39465

EXHIBIT "B"

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 General Obligation Water and Sewer Refunding Bonds, Series 2016, of the City. After a discussion of the subject, Alderman Amacker offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS, SERIES 2016 OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION ONE HUNDRED THOUSAND DOLLARS (\$5,100,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (I)(A) 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 (B) 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; (II) PAYMENT OF COSTS OF ISSUANCE FOR THE BONDS; (III) AND FOR RELATED PURPOSES.

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

1. (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,

"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,

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

"Clerk" shall mean the City Clerk of the City,

"County" shall mean Forrest County, Mississippi,

"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,

"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,

"Paying Agent" shall mean Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi,

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

"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 Act,

"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 subrogee,

"Bond" or "Bonds" shall mean the not to exceed \$5,100,000 General Obligation Water and Sewer Refunding Bonds, Series 2016 of the City authorized and directed to be issued in this Bond Resolution,

"Bond Counsel" shall mean Butler Snow I.L.P., Ridgeland, Mississippi,

"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,

"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 2 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 2017 through 2022, 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 2018 through 2027, 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),

"Project" shall mean the Refunding Project and paying the costs of issuance of the Bonds,

"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,

"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 2017 through 2022, 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 2017 through 2022, 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 2018 through 2027, 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 2018 through 2027, 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,

EXHIBIT "B"

"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.

"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.

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

"Transfer Agent" shall mean Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

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

"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, and shall initially be Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

"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 Whitney Bank d/b/a 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.

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(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.

2. 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.

3. The estimated cost of the Project is not to exceed Five Million One Hundred Thousand Dollars (\$5,100,000).

4. 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.

5. 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 25 and authorizes the Mayor and 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.

6. 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.

7. It is necessary to approve the 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.

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

9. 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.

10. 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.

11. 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.

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"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 Whitney Bank d/b/a 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, and shall initially be Regions Bank, Birmingham, Alabama.

"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 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.

"2016 Bond Fund" shall mean the City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, 2016 Bond Fund provided for in Section 13 hereof.

"2016 Costs of Issuance Fund" shall mean the City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, 2016 Costs of Issuance Fund provided for in Section 14 hereof.

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12. 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. 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 2. (a) 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 2. 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.

(b) 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 payment 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, the Participants or the Indirect Participants, as the case may be, is the registered owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal, 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.

(c) 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).

(d) 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).

(e) 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 hereof.

(f) 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.

(g) 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.

(h) 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.

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

(b) 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, or than the signature of an authorized officer of the Transfer Agent hereafter provided for, be facsimile and shall have the same force and effect as if manually signed or impressed. In no event shall 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.

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(i) 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 3. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Five Million One Hundred Thousand Dollars (\$5,100,000) to raise money for the Project as authorized by the Act. The Bonds may be issued in one or more series.

SECTION 4. (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, 2016, 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, 2027.

(c) The Bonds may be subject to optional 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

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(c) 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 of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

(d) 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 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.

(e) 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.

(f) 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 6. (a) The City hereby appoints the Paying and Transfer Agent. 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.

(b) 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.

(c) 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

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prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) (i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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

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principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The 2007 Note securing the 2007 Bank Bonds was issued on a parity with the 2006 Note securing the 2006 Bank Bonds under the 2006 Loan Agreement and the 2007 Loan Agreement and the pledge of the net revenues of the System to the Bonds is subject to a prior payment of the debt service of 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds. When necessary, said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 10. 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 Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No 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 Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer 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 11. (a) 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 for 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 Transfer 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.

(b) Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the City maintained by the Transfer 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 Bond 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 such Bond to the extent of the sum or sums so paid.

SECTION 12. (a) Each Bond 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 attorney

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predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(vii) 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.

(viii) 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.

(e) 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 7. 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 Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Transfer 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. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2016 Bond Fund of the Bonds or has made other provisions for funds, including the pledge of the net revenues of the System subject to the prior payment of the debt service of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, to be applied toward the payment of the

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duly authorized in writing. Upon the transfer of any Bond, 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.

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

SECTION 13. (a) The City hereby establishes the 2016 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2016 Bond Fund as and when received:

(i) The accrued interest, if any, received upon delivery of the Bonds;

(ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2016 Bond Fund; and

(iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2016 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2016 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

SECTION 14. (a) The City hereby establishes the 2016 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 2016 Costs of Issuance Fund. Any income received from investment of monies in the 2016 Costs of Issuance Fund shall be deposited in the 2016 Costs of Issuance Fund. Funds in the 2016 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 2016 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 2016 Bond 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 an 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 the par amount of the Bonds (excluding the Underwriter's discount and original issue discount).

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EXHIBIT "B"

SECTION 15. Upon delivery of the Bonds, the City will remit or will direct the remittance of a certain portion of the proceeds received upon the sale of the Bonds. (a) to the 2006 Escrow Agent to effectuate the Refunding 2006 Project; and (b) to the 2007 Escrow Agent to effectuate the Refunding 2007 Project.

SECTION 16. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

(b) 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.

(c) 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 Transfer Agent. Any such address may be changed by written notice from the Registered Owner 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 to be effective as of such date.

SECTION 17. The Bonds may be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end, if requested, the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's bond attorney for the institution of validation proceedings.

SECTION 18. 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 19. 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;

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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

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(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.

SECTION 20. 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 as set forth in the Continuing Disclosure Certificate, 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, 2016.

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.

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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 21. The City hereby designates the Bonds as "qualified tax-exempt obligation" 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 to be issued by it during the period from January 1, 2016 to December 31, 2016, and the amount of obligation designated as "qualified tax-exempt obligation" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

(b) for purposes of this Section 21, the following obligation 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 22. 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 prescribed 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:

(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(b) 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"

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EXHIBIT "B"

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

SECTION 25. 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 \$5,100,000; (2) the net interest cost of the Bonds will not exceed 5.00%; (3) the term of the Bonds will not exceed July 1, 2027 (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 26. 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 27. 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 28. Each of the following constitutes an event of default under this Bond Resolution:

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

(b) 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 thirty (30) 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

2015 and authorizes the Mayor and/or City Clerk to execute any engagement letter in connection with Bond Counsel's role as dissemination agent for the fiscal year ended September 30, 2015 filing.

SECTION 38. 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 39. 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 King seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

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

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 November, 2015.

Hal May
MAYOR

ATTEST:

Melina Mathis
CITY CLERK

(SEAL)



(c) an Act of Bankruptcy occurs.

SECTION 29. 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 30. 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 31. The form of and the execution by the Mayor or Clerk of the 2007 Bonds Notice of Refunding/Redemption, attached hereto as **EXHIBIT E** is hereby approved.

SECTION 32. 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 33. 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 34. 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 2006 Project and the Refunding 2007 Project.

SECTION 35. 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.

SECTION 36. 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) Bond 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, and (b) 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 37. The Governing Body hereby authorizes Bond Counsel to act as dissemination agent in connection with the filing of its continuing disclosure filing for fiscal year

EXHIBIT A

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PETAL

GENERAL OBLIGATION WATER AND SEWER REFUNDING BOND

SERIES 2016

NO. R- _____ \$ _____

| Rate of Interest | Maturity | Date of Original Issue | CUSIP |
|------------------|----------|------------------------|-------|
| _____ % | _____ | _____, 2016 | _____ |

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 Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Water and Sewer Refunding Bonds, Series 2016, 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 Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, 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, 2016, 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

EXHIBIT "B"

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 _____ Dollars (\$_____,000) to raise money sufficient for (i)(a) the refinancing, 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 (the "2006 Note"), 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 (the "2006 Bank Bonds"), 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 refinancing, 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 (the "2007 Note"), 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 (the "2007 Bank Bonds"), issued pursuant to an Indenture of Trust, dated December 13, 2007, by and between the Mississippi Development Bank and Regions Bank, Birmingham, Alabama; and (ii) paying costs of issuance for the Bonds.

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 by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted November 17, 2015 (the "Bond Resolution").

INSERT REDEMPTION IF 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

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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.

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, as of the ____ day of ____, 2016.

CITY OF PETAL, MISSISSIPPI

BY: *Ital May*
Mayor

COUNTERSIGNED:

Melnamark
City Clerk

(Seal)



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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 Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2016 Bond Fund of the Bonds, or has made other provisions for funds, including the pledge of the net revenues of the combined water and sewer system of the City subject to the prior payment of the debt service of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, as defined above, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The 2007 Note securing the 2007 Bank Bonds was issued on a parity with the 2006 Note securing the 2006 Bank Bonds under the 2006 Loan Agreement and the 2007 Loan Agreement and the pledge of the net revenues of the System to the Bonds is subject to a prior payment of the debt service of 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

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.

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 General 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

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There shall be printed in the lower left portion of the face of 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 General Obligation Water and Sewer Refunding Bonds, Series 2016, 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 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 ____, 2016.

Melnamark
City Clerk

(Seal)

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EXHIBIT "B"

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

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PRELIMINARY OFFICIAL STATEMENT DATED _____, 2015

RATING: Standard & Poor's "A+"
(See "RATING" herein)

NEW ISSUE - BOOK-ENTRY

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, as Bond Counsel, assuming continuing compliance by the City (as hereinafter defined) with the tax provisions and representations described herein (under existing law), interest on the Bonds is excludable from federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of tax preference under Section 51 of the Code for the purposes of calculating alternative minimum tax; however, such interest is taken into account in determining adjusted current earnings for the purpose of calculating the alternative minimum tax imposed on certain corporations. Bond Counsel is of the further opinion that interest on the Bonds is exempt from all percent taxes imposed by the State and any county, municipality or other political subdivision of the State. See "TAX EXEMPTION" herein.

\$ _____,000"

GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS, SERIES 2016
OF THE
CITY OF PETAL, MISSISSIPPI

DATED: Date of Delivery

DUE: July 1, as shown on inside front cover

The Bonds are being issued for the purpose of providing for the (i) refinance, prepayment and advance refunding of a portion of the 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"), securing the Loan Agreement, dated February 1, 2006, by and between the City and the Mississippi Development Bank (the "Bank") and the refunding and redemption of a portion of the outstanding 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"), (ii) refinance, prepayment and advance refunding of a portion of the outstanding principal installments of the City's \$6,500,000 Promissory Note (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007 (the "2007 Note"), securing the Loan Agreement, dated December 13, 2007, by and between the City and the Bank and the refunding and redemption of a portion of the outstanding 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"), all as set forth herein in order to provide debt service savings for the City, and (iii) paying the costs of such borrowings (see "PLAN of REFINANCING" herein). Interest on the Bonds is payable from the dated date of the Bonds, semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2016. Except as set forth herein, interest on the Bonds will be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent in the Registered Owners. Principal of the Bonds is payable at the principal corporate trust office of the Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, Paying Agent. The Bonds will be issued only as fully registered bonds, without coupons, in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, and shall be numbered separately from one upward, in the order of issuance.

The Bonds are issuable as fully registered instruments and will be initially issued only in book-entry form, under a book-entry system (described herein) in which The Depository Trust Company (DTC) is the securities depository for the Bonds, to the nominee of DTC (Code & CO.), with no physical delivery of Bond certificates to the purchasers thereof. Principal and interest payments on the Bonds will be paid to the DTC nominee, which will distribute such payments to the participating members of DTC for subsequent remittance to the owners of the beneficial interest in the Bonds. Such beneficial owners will be permitted to exercise the rights of holders of Bonds only indirectly through DTC and its participating members.

The Bonds will be subject to optional redemption prior to maturity as set forth herein.

The Bonds will be issued under and in conformity with the Constitution and Laws of the State of Mississippi and pursuant to the Bond Resolution adopted by the Mayor and Board of Aldermen on November 12, 2015 (the "Bond Resolution"). The Bonds are secured by the full faith, credit and resources of the City and are payable from the proceeds of an unlimited, continuing, direct, annual ad valorem tax levied on taxable property within the City, provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2016 Bond Fund of the Bonds, or has made other provisions for funds, including the pledge of the net revenues of the combined water and sewer system of the City subject to the prior payment of the debt service of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, as herein defined, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution, as defined herein.

The Bonds have been designated by the City as "qualified tax exempt obligations" for purposes of Section 265(b)(3)(c) of the Internal Revenue Code of 1986, as amended.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter, subject to the final approving opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Tom Tyson, Esquire and for the Underwriter by the Law Offices of Andy J. Clark, PLLC. It is anticipated that the Bonds will be available for delivery on or about _____, 2016.

Raymond James

Preliminary Official Statement is _____, 2015.

The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Bonds only. The City and Underwriter do not make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of the Bonds.

Preliminary, subject to change

ButlerSnow 24023199v4

| MATURITY SCHEDULE | | | | |
|-------------------|------------------|---------------|----------------|-------|
| YEAR OF MATURITY | PRINCIPAL AMOUNT | INTEREST RATE | PRICE OR YIELD | CUSIP |
| 2016 | | | | |
| 2017 | | | | |
| 2018 | | | | |
| 2019 | | | | |
| 2020 | | | | |
| 2021 | | | | |
| 2022 | | | | |
| 2023 | | | | |
| 2024 | | | | |
| 2025 | | | | |
| 2026 | | | | |
| 2027 | | | | |

EXHIBIT "B"

No dealer, broker, salesman or other person has been authorized to make any representations with respect to the Bonds other than is contained in this Official Statement, and if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion contained herein are subject to changes without notice, and while all information has been secured from sources which are believed to be reliable, all parties preparing and distributing the Official Statement make no guaranty or warranty relating thereto. All opinions, estimates or assumptions, whether or not expressly identified, are intended as such and not as representations of fact. Neither the delivery of this Official Statement shall, nor any sale made hereunder, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

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THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

CITY OF PETAL, MISSISSIPPI

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HAL MARX
MAYOR

BOARD OF ALDERMEN

DAVID CLAYTON
STEVE STRINGER
CLINT MOORE
BRADLEY S. AMACKER
TONY DUCKER
J. CRAIG BULLOCK
WILLIAM H. KING, IV

MELISSA MARTIN
CITY CLERK

TOM TYNER, ESQUIRE
CITY ATTORNEY

LAW OFFICES OF ANDY J. CLARK, PLLC
UNDERWRITER'S COUNSEL

BUTLER SNOW LLP
RIDGELAND, MISSISSIPPI
BOND COUNSEL

EXHIBIT "B"

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OFFICIAL STATEMENT

\$ _____,000*
**GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS,
SERIES 2016
OF THE
CITY OF PETAL, MISSISSIPPI**

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the \$ _____,000* General Obligation Water and Sewer Refunding Bonds, Series 2016, to be dated the date of delivery thereof (the "Bonds"), of the City of Petal, Mississippi (the "City"). The City is a political subdivision incorporated under the laws of the State of Mississippi.

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined and any and all modifications and amendments thereof for a description of the authority of the City to issue the Bonds, the nature and extent of the security of, the principal of and interest on the Bonds and the terms and conditions under which the Bonds are issued.

THE BONDS

Definitions

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., Mississippi Code of 1972, as amended.
- "Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, as designated by the Governing Body.
- "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 Act.
- "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 subrogee.
- "Bond" or "Bonds" shall mean the \$ _____,000* General Obligation Water and Sewer Refunding Bonds, Series 2016 of the City authorized and directed to be issued in the Bond Resolution.
- "Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi.

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

"Bond Resolution" shall mean the Bond Resolution adopted by the Governing Body on November 17, 2015, as may be amended from time to time.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Book-Entry Only System" 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 2017 through 2022, both inclusive.

"Callable 2007 Bank Bonds" shall mean the 2007 Bank Bonds which mature on July 1 in the years 2018 through 2027, both inclusive.

"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.

"County" shall mean Forrest County, Mississippi.

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

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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.

"Fiscal Year" shall mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"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.

"Issuer" shall mean the City.

"Letter of Representations" shall mean the blanket issue letter of representations from the City to DTC under the Book-Entry System.

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean the Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

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

"Project" shall mean together the Refunding Project and the payment of costs of issuance of the Bonds.

"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.

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

"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 2017 through 2022, 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 2017 through 2022, 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 2018 through 2027, 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 2018 through 2027, 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 Paying Agent.

"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.

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

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

"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, and shall initially be Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

"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 Whitney Bank d/b/a 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, and shall initially be Regions Bank, Birmingham, Alabama.

"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.

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"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 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.

"2016 Bond Fund" shall mean the City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, 2016 Bond Fund provided for in the Bond Resolution.

"2016 Cost of Issuance Fund" shall mean the City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, 2016 Costs of Issuance Fund provided for in the Bond Resolution to be held by the 2006 Escrow Agent under the 2006 Escrow Agreement to pay certain costs of issuance incurred in the sale and issuance of the Bonds.

Purpose and Authorization

The Bonds are being issued to provide funds for the Project, thereby reducing the debt service requirements of the City and resulting in an overall net present value savings of not less than two percent (2%) of the Refunded Bonds. A schedule of the principal maturities of the Refunded Bonds is contained in APPENDIX C.

The Bonds will be issued pursuant to the provisions of the Act and the Bond Resolution.

Security

The Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2016 Bond Fund of the Bonds or has made other provisions for funds, including the pledge of the net revenues of the System subject to the prior payment of the debt service of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The

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2007 Note securing the 2007 Bank Bonds was issued on a parity with the 2006 Note securing the 2006 Bank Bonds under the 2006 Loan Agreement and the 2007 Loan Agreement and the pledge of the net revenues of the System to the Bonds is subject to a prior payment of the debt service of the 2006 Note securing the 2006 Bank Bonds and the 2007 Note securing the 2007 Bank Bonds. When necessary, the City will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "Constitution") to add the following new Section 172A (the "Amendment"):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the Bonds as they mature and become due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect Bondholders' remedies in the event of a payment default, it potentially prevents Bondholders from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Bonds in a court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the Bondholders in the event of a payment default with respect to the Bonds. For example, Bondholders can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the Bonds, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to the Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

Certain information relating to the City is set forth in "APPENDIX A - INFORMATION ON THE CITY" and certain financial information on the City is included in "APPENDIX B - AUDIT."

Form of the Bonds

The Bonds shall be dated the date of delivery thereof, shall be delivered in the denomination of Five Thousand Dollars (\$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 be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2016.

Redemption Provisions

Optional Redemption. The Bonds maturing on July 1, 20__ and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole or in part on any date on or after July 1, 20__.

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 in the Bond Resolution 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.

Bond Fund

In the Bond Resolution the City establishes the 2016 Bond Fund for the Bonds, said fund to be maintained at a qualified depository of the City. Money deposited in the 2016 Bond Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due.

Sources and Uses of Funds

The following is a summary of the estimated sources and uses of proceeds of the Bonds:

Sources

| | |
|---------------------------------|----|
| Par Amount | \$ |
| Plus Net Original Issue Premium | |
| Total Sources | \$ |

Uses

| | |
|--|----|
| Transfer to 2006 Escrow Agent for deposit in Escrow 2006 Fund | \$ |
| Transfer to 2007 Escrow Agent for deposit in Escrow 2007 Fund | |
| 2016 Costs of Issuance Fund | |
| Underwriter's Discount | |
| Total Uses | |

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. This summary does not purport to be complete and is qualified in its entirety by reference to the complete document which is available from the Office of the City Clerk, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465, Telephone Number: (601) 545-1776.

Ownership of the Bonds

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 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 for 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.

Except as provided in the Bond Resolution, the Person in whose name any Bond 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 Bond 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 provided in the Bond Resolution. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Registration, Transfer and Exchange of the Bonds

The Bond Resolution provides for the registration, transfer and exchange of the Bonds upon presentation and surrender at the principal corporate trust office of the Paying Agent. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by other evidence of transfer acceptable to the Paying Agent. No service charge shall be made to the registered owner for any registration, transfer, or exchange for a different denomination of Bonds, but the City or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. The City shall not be obligated to issue, exchange or transfer any Bond during the fifteen (15) day period next preceding any interest payment date. For so long as a book-entry only system is used for determining beneficial ownership of the Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC Participants or the Indirect Participants (see, "Book-Entry Only System", herein).

Book-Entry Only System

The City has determined that it will be beneficial to have the Bonds held by a central depository system and to have transfers of the Bonds affected by book-entry on the records of

DTC as such central depository system. Unless and until the book-entry-only system has been discontinued, the Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One fully-registered Bond will be issued for each maturity of the Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA-. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the

EXHIBIT "B"

Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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Refunded 2007 Note. The Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds are being advance refunded for the purpose of providing debt service savings for the City pursuant to the provision of the Act and the Bond Resolution. The advance refunding of the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds will result in an overall net present value savings to maturity to the City of at least two percent (2%) of the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds being advance refunded, as required by the Act.

Upon receipt of the proceeds of the Bonds, the City will cause (i) a portion of the proceeds representing the Escrow 2006 Requirement to be remitted directly to the 2006 Escrow Agent for further deposit by the 2006 Escrow Agent to the Escrow 2006 Fund, and (ii) a portion of the proceeds representing the Escrow 2007 Requirement to be remitted directly to the 2007 Escrow Agent for further deposit by the 2007 Escrow Agent to the Escrow 2007 Fund. The 2006 Escrow Agent shall invest such proceeds in the Escrow 2006 Fund in United States Government Securities and/or United States Treasury Securities - State and Local Government Series (the "2006 Escrow Securities"), maturing in amounts and bearing interest at rates sufficient (a) to pay, when due, the principal and interest accruing and due on the Refunded 2006 Bank Bonds from the date of closing for the Bonds through and including July 1, 2016, and (b) to pay the principal of the Callable 2006 Bank Bonds being redeemed on July 1, 2016, representing the redemption price of 102% plus accrued interest on such date. The 2007 Escrow Agent shall invest such proceeds in the Escrow 2007 Fund in United States Government Securities and/or United States Treasury Securities - State and Local Government Series (the "2007 Escrow Securities"), maturing in amounts and bearing interest at rates sufficient (a) to pay, when due, the principal and interest accruing and due on the Refunded 2007 Bank Bonds from the date of closing for the Bonds through and including July 1, 2017, and (b) to pay the principal of the Callable 2007 Bank Bonds being redeemed on July 1, 2017, representing the redemption price of 100% plus accrued interest on such date (see "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein). The Escrow 2006 Fund and the Escrow 2007 Fund, including the investment income thereon, are irrevocably pledged solely for the benefit of the holders of the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds, respectively.

The 2006 Escrow Agent will hold and administer the Escrow 2006 Fund and will apply the maturing principal of and interest on the 2006 Escrow Securities to payments of principal of and interest on the Refunded 2006 Bank Bonds as and when such amounts become due. The owners of the Refunded 2006 Bank Bonds will be entitled to a preferred claim and first lien upon the 2006 Escrow Securities, the proceeds thereof and all other assets of the Escrow 2006 Fund.

The 2006 Bank Bonds were issued for the purpose of providing funds for a loan to the City secured by the 2006 Note and the 2006 Loan Agreement, to (i) provide funds to improve, repair and extend the System; (ii) current refunding the outstanding maturities of the City of Stal, Mississippi Combined Water and Sewer System Revenue Bonds, Series 1990, issued in the original principal amount of \$825,000, (iii) fund a debt service reserve fund for the Series 2006 Bank Bonds; and (iv) to pay costs of issuing the Series 2006 Bank Bonds and the 2006 Note (the "2006 Project").

The 2007 Escrow Agent will hold and administer the Escrow 2007 Fund and will apply the maturing principal of and interest on the 2007 Escrow Securities to payments of principal of and interest on the Refunded 2007 Bank Bonds as and when such amounts become due. The

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The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bonds in definitive form will be printed and delivered.

THE CITY CANNOT AND DOES NOT GIVE ANY ASSURANCE THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (a) PAYMENTS OF PRINCIPAL OR INTEREST ON THE BONDS; (b) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (c) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (a) THE BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF AND INTEREST ON THE BONDS; (d) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO HOLDERS OF THE BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE BONDS.

Bond Resolution a Contract

In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, the Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made in the Bond Resolution and the covenants and agreements made and set forth in the Bond Resolution 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.

PLAN OF REFUNDING

The Bonds are being issued to provide sufficient funds to (i) refinance, prepay and advance refund the Refunded 2006 Note and subsequently advance refund the Refunded 2006 Bank Bonds and optionally redeem the Callable 2006 Bank Bonds at a redemption price of 102% plus accrued interest with the proceeds of the refunding of the Refunded 2006 Note; and (ii) refinance, prepay and advance refund the Refunded 2007 Note and subsequently advance refund the Refunded 2007 Bank Bonds and optionally redeem the Callable 2007 Bank Bonds at a redemption price of 100% plus accrued interest with the proceeds of the refunding of the

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owners of the Refunded 2007 Bank Bonds will be entitled to a preferred claim and first lien upon the 2007 Escrow Securities, the proceeds thereof and all other assets of the Escrow 2007 Fund.

The 2007 Bank Bonds were issued for the purpose of providing funds for a loan to the City secured by the 2007 Note and the 2007 Loan Agreement, to (i) provide funds to improve, repair and extend the System; (ii) fund a debt service reserve fund; and (iii) to pay costs of issuing the 2007 Bank Bonds and the 2007 Note (the "2007 Project").

RATING

Standard & Poor's has assigned a rating of "A+" to the Bonds. Information on the rating may be obtained from the City Clerk. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Such rating is not a recommendation to buy, sell or hold the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter, on behalf of City, relating to (a) the computation of the forecasted payments of principal and interest to redeem the Refunded 2006 Bank Bonds and the Refunded 2007 Bank Bonds, respectively, and (b) sufficiency of the proceeds of the Bonds to provide sufficient funds for the refunding of the Refunded 2006 Bank Bonds and the redemption of the Callable 2006 Bank Bonds and refunding of the Refunded 2007 Bank Bonds and the redemption of the Callable 2007 Bank Bonds, respectively, was examined by The Arbitrage Group, Inc., certified public accountants (the "Verification Agent"). Such computations were based solely on assumptions and information supplied by the Underwriter, on behalf of the City. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

UNDERWRITING

The Bonds are being purchased for reoffering by Raymond James, Inc., Memphis, Tennessee (the "Underwriter"), at a purchase price of \$ _____ (\$ _____,000 par amount of Bonds, plus a net original issue premium of \$ _____, less \$ _____ for an Underwriter's discount). The Bond Purchase Agreement pursuant to which the Underwriter has agreed to purchase the Bonds provides that the Underwriter will purchase all the Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Bonds is subject to various conditions stated in such Bond Purchase Agreement.

The Underwriter may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

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EXHIBIT "B"

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to delivery of the Bonds in order that the interest on the Bonds not be included in gross income of the registered owners for federal income tax purposes under Section 103 of the Code. The certificate as to non-arbitrage and other tax matters of the City, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with such requirements of the Code. The City agrees, covenants and represents in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners 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.

Except as expressly stated in the following two paragraphs of this section, Bond Counsel will express no opinion as to any federal or state consequences of the ownership of, receipt of interest on, or disposition of the Bonds.

In the opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel, under existing law, interest on the Bonds is not included in gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax that may be imposed on individuals and corporations. Such interest, however, is includable in the "adjusted current earnings" of certain corporations for purposes of computing the alternative minimum tax (see "Certain Federal Tax Information - Alternative Minimum Tax"). In rendering the foregoing opinion, Bond Counsel has assumed the compliance by the City with the tax covenants and representations in the Bond Resolution and the representations in the certificate as to non-arbitrage and other tax matters. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the Refunding Project, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue. For federal tax information, see "Certain Federal Tax Information" herein.

Under existing law, Bond Counsel is of the opinion that, interest on the Bonds is exempt from all present taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi.

Certain Federal Tax Information

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General. The following discussion of certain federal income tax matters is a summary of possible collateral tax consequences. It does not purport to deal with all aspects of federal taxation that may be relevant to particular registered owners. Further, the following discussion should not be construed as expressing an opinion of Bond Counsel as to any such matters, not specifically addressed in their opinion. **Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences in certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.**

Alternative Minimum Tax. The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. A twenty percent (20%) alternative corporate minimum tax is imposed on corporations (other than S corporations, regulated investment companies, real estate investment trusts or real estate mortgage investment conduits, as such terms are defined in the Code). Interest on the Bonds is not treated as a preference item in calculating alternative minimum taxable income. The Code provides, however, that the corporation's alternative minimum taxable income is increased by 75 percent of the excess (if any) of (i) the "adjusted current earnings" of a corporation over (ii) its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction). Interest on tax-exempt obligations, including the interest on the Bonds, would generally be included in computing a corporation's "adjusted current earnings." Accordingly, a portion of any interest on the Bonds received or accrued by a corporate registered owner will be included in computing such corporation's alternative minimum taxable income for such year.

Financial Institutions. Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code).

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Code.

Changes in Federal and State Tax Laws. From time to time, there are legislative proposals introduced and regulatory actions proposed or announced at the federal or state level that, if enacted, could alter or amend directly or indirectly relevant federal and state tax matters, including, without limitation, those mentioned hereinabove or could adversely affect the market value of the Bonds. It cannot be predicted whether or when or in what form any such legislative or regulatory proposal might be enacted or implemented or whether if enacted or implemented it would apply to tax exempt obligations issued prior to enactment or implementation. In addition, from time to time litigation is threatened or commenced which, if concluded in a particular

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manner, could adversely affect relevant tax matters or the market value of the Bonds. It cannot be predicted how any particular litigation or judicial action will be resolved or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT

The Bonds maturing on July 1 of the years 20__ through 20__ (the "Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of OID accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

TAX TREATMENT OF ORIGINAL ISSUE PREMIUM

The Bonds maturing on July 1 in the years 20__ through 20__ (the "Premium Bonds") have an issue price that is greater than the amount payable at maturity of such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the Premium Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bond, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for

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federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the City within twelve months after the end of each fiscal year of the City ending in or after September 30, 2016 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, in certain cases if deemed material under federal laws. The Annual Report and notices of material events will be filed by the City with (a) the Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Assess system at <http://emma.msrb.org> ("EMMA") in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") pursuant to SEC Rule 15c2-12(b)(5) (the "Rule"), and with (b) any public or private repository or entity designated by the State as a State repository, if any, for the purposes of the Rule. This information will be made available free to securities brokers and the general public through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX D to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with the Rule.

There have been instances in each of the last five years in which the City has failed to file certain annual financial information as required by its prior continuing disclosure undertakings. The City adopted policies and procedures on November 4, 2014 (the "Policy") to ensure timely filing of its annual financial information. Pursuant to the Policy, a staff designee of the City will appoint or engage a dissemination agent to assist in carrying out its obligations under the Policy and/or the staff designee will be responsible for submitting the information required under the Policy. A summary of past filing failures, dated November 9, 2015, is available on EMMA. On November 17, 2015, the City hired a dissemination agent to file the City's required annual report for fiscal year 2015.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities

No securities of the City have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the City is past due.

No Bond Proceeds for Current Operating Expenses

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current Fiscal Year) have been used for current operating expenses at any time in at least the last ten years.

Pension Plan

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EXHIBIT "B"

The City has no pension plan or retirement plan for employees. The City employees are members of and contribute to the Mississippi Public Employees' Retirement System ("PERS"), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The PERS Board of Trustees authority to determine contribution rates is established Section 25-11-1 *et seq.* of the Mississippi Code of 1972 and may be amended only by the State Legislature.

The Governmental Accounting Standards Board ("GASB") approved two (2) new standards on June 25, 2012 that will substantially improve the accounting and financial reporting of public employee pensions by state and local governments, including the State. Statement No. 67, Financial Reporting for Pension Plans, revises existing guidance for the financial reports of most pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions as amended by Statement No. 71, revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits.

The Provisions in Statement 67 are effective for financial statements for period beginning after June 15, 2013. The provisions in Statement 68 and Statement 71 are effective for fiscal years beginning after June 15, 2014. PERS is compliant with Statement 67 and is making plans to fully comply with Statements 68 and 71.

The PERS employer contribution rate was 9.75 percent in fiscal year 2005 with an increase in fiscal year 2006 to 10.75 percent. Beginning in fiscal year 2007, the employer contribution rate increased from 10.75 percent in .55 percent increments until the target rate of 11.85% was met in fiscal year 2008. Use of the phased-in employer contribution rate increase resulted in an annual contribution deficit for fiscal year 2007. The purposes of the phased-in approach was to moderate the impact to the State of a contribution rate increase. A slight increase in the employer contribution rate was implemented in fiscal year 2010, from 11.85 percent to 12.0 percent. In fiscal year 2010, the actuary's recommended employer contribution rate was to increase from 12.0 percent to a projected 13.56 percent for fiscal year 2011. In lieu of the employer contribution rate increase, the member contribution rate was increased from 7.25 to 9.0 percent for fiscal year 2011, which produced a decrease in employer normal cost. The reduction in normal cost, coupled with favorable investment experience, resulted in a revised recommended employer contribution rate decreased from 13.56 percent to 12.93 percent, which became effective January 1, 2012. The employer contribution rate increased in fiscal year 2013 to 14.26 percent and in fiscal year 2014, the Board implemented a revised funding policy aimed at stabilizing the employer contribution rate, which was set at 15.75 percent, and established a goal for the Plan to be 80.0 percent funded by 2042. At June 30, 2014, PERS employees' total pension liability was \$27.0 billion. The plan fiduciary net position was \$24.9 billion resulting in a net pension liability of \$12.1 billion. The plan fiduciary net position as a percentage of the total pension liability was 67.2 percent using measurements established by GASB Statement No. 67, Financial Reporting for Pension Plans. PERS latest publicly available financial report for 2014 is available on the PERS website located at www.pers.ms.gov/content/CAFR/CAFR2014.

At September 30, 2013, PERS members were required to contribute 9% of their annual covered salary, and the City is required to contribute at an actuarially determined rate. The rate at September 30, 2013 was 15.75% of annual covered payroll. The City's contributions

The State Legislature is comprised of the Senate and the House of Representatives. The Senate is composed of 52 members, and the House of Representatives consists of 122 members. Each member of each chamber is elected to a four-year term. In the State, the Legislature convenes annually on the first Tuesday after the first Monday each January. Regular sessions of the State Legislature last 90 days in all years of an administration except for the first session after a new governor has been elected, when a 125-day session is held.

In order to obtain specific authority from the State Legislature to file for relief pursuant to Chapter 9, a Municipality would have to request both houses during the annual session of the State Legislature to approve a bill authorizing the Municipality to file for relief pursuant to Chapter 9 and such bill would have to be signed into law by the Governor of the State. There is no appeal process or any other proceeding under current State law that the Municipality may pursue if such requested specific authority is not granted by the State Legislature.

Miscellaneous

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Preliminary Official Statement, dated _____, 2015, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the Underwriter a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The Underwriter shall conform to the requirements of SEC Rule 15c2-12, including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the Underwriter if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(employer share only) to PERS for the years ending September 30, 2013, 2012 and 2011 were \$761,087, \$661,818 and \$606,362, respectively, equal to the required contributions for each year. As of June 30, 2014, the City's employer contribution and employer allocation percentage was \$563,923 and 0.058595%.

Legal Proceedings

There are no pending legal proceedings which might be expected to affect the City's ability to perform its obligations to the registered owners of the Bonds.

Validation

Prior to the issuance, the Bonds may be validated before the Chancery Court of Forrest County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

Approval of Legal Proceedings

All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. The form of the opinion of Bond Counsel is attached hereto as **APPENDIX E** and will be available in final form at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Bankruptcy

The City is a "Municipality" as that term is defined in Title 11 of the United States Code (the "Bankruptcy Code"). Section 109(c) of the Bankruptcy Code prescribes the conditions and circumstances under which a Municipality may file a petition for relief under the Bankruptcy Code. As a debtor, a Municipality may *only* file for relief pursuant to Chapter 9 of the Bankruptcy Code ("Chapter 9"). Pursuant to Section 303(a) of the Bankruptcy Code, no creditor or judgment holder of a Municipality may file a Chapter 9 petition on behalf of a Municipality.

Pursuant to Section 109(c)(2) of the Bankruptcy Code, before a municipality may file a petition under Chapter 9 of the Bankruptcy Code, a municipality must be specifically authorized by (a) state law or (b) a governmental officer or organization empowered to authorize such a filing. Accordingly, before a Municipality in the State of Mississippi (the "State") may file for Chapter 9 protection, it must have specific authority granted to it. Currently, there is no State statute that prescribes, authorizes or otherwise contains authorization for any Municipality to file for Chapter 9 protection, or delegates such authority to a governmental officer or organization. As such, in order for a State Municipality, including the City, to file for Chapter 9 relief, the Municipality must obtain specific authority from the State Legislature.

Section 101(40) of the Bankruptcy Code provides that "[t]he term 'municipality' means political subdivision or public agency or instrumentality of a state" (11 U.S.C. § 101(40)).

The Underwriter has agreed to file the Official Statement with a Repository at the earliest practicable date after the date of delivery of the Bonds. The end of the underwriting period shall mean the earlier of (a) the date of the closing unless the City has been notified in writing to the contrary by the representative of the Underwriter on or prior to such date, or (b) the date on which the "end of the underwriting period" for the Bonds has occurred under SEC Rule 15c2-12. The Underwriter has agreed to notify the City of the date which is the "end of the underwriting period" within the meaning of the SEC Rule 15c2-12.

CITY OF PETAL, MISSISSIPPI

BY: /s/ Hal Marx
MAYOR

/s/ Melissa Martin
CITY CLERK

EXHIBIT "B"

APPENDIX A
INFORMATION ON THE CITY

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description

The City of Petal is located in the northeast section of Forrest County, Mississippi, which is located in the southeast portion of the State of Mississippi (the "State"). The City, incorporated April 5, 1974, is located on the Leaf River adjacent to the corporate limits of the City of Hattiesburg, Mississippi. The City lies approximately 91 miles south of Jackson, the capital of the State, 120 miles northeast of New Orleans, Louisiana, and 100 miles northwest of Mobile, Alabama.

Population

The population of the City has been recorded as follows:

| 1980 | 1990 | 2000 | 2010 |
|-------|-------|-------|--------|
| 8,476 | 7,883 | 7,579 | 10,454 |

SOURCE: Census data at website: www.census.gov; November 2015.

Government

The City operates under the Mayor-Board of Aldermen form of government. The governing body of the City consists of five Board members, all of whom are elected from separate wards. The Mayor, who is elected at large, and members of the Board of Aldermen are elected for concurrent four year terms. The current Mayor and members of the Board of Aldermen whose terms expire July, 2017, are:

| Name | Occupation | Position Held Since |
|----------------|--|---------------------|
| Hal Marx | Mayor | 2009 |
| William King | National Guard (Camp Shelby) | 2013 |
| David Clayton | Police Officer | 2005 |
| Steve Stringer | Business Owner | 2001 |
| Clint Moore | | 2014 |
| Brad Amacker | Teacher | 2013 |
| Tony Ducker | Small Business owner (Insurance sales) | 2013 |
| Craig Bullock | Small Business Owner (screen printing) | 2013 |

Transportation

Access to the City is available by several means. Interstate Highway 59, U. S. Highways 11, 49 and 98 and State Highway 42 serve the immediate area. A number of County highways provide access to many outlying areas in the County.

Rail service is provided to the City by the Illinois Central Gulf Railroad and the Norfolk Southern Railway. Numerous motor freight carriers are authorized to serve the City, as it is in the City of Hattiesburg, Mississippi commercial delivery zone. The nearest commercial airport is New Orleans International Airport, 100 miles southwest of the City. Commuter air service is available to residents of the City at Pine Bell Regional Airport, seven miles from the City, and Hattiesburg Airport, three miles from the City. The nearest port is the Port of Gulfport, which has a channel depth of 30 feet and is located 73 miles distant in Harrison County.

Per Capita Income²

| Year | County | Mississippi | United States | County as % Of U.S. |
|------|----------|-------------|---------------|------------------------|
| 2013 | \$31,461 | \$33,913 | \$44,765 | 70% |
| 2012 | 31,120 | 33,446 | 44,200 | 70 |
| 2011 | 29,909 | 32,108 | 42,332 | 70 |
| 2010 | 29,453 | 30,834 | 40,144 | 73 |
| 2009 | 29,467 | 30,278 | 39,379 | 75 |

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: www.bea.gov, 2009-2013; November 2015.

² Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2009-2013 reflect county population estimates available as of April, 2014.

EXHIBIT "B"

Major Employers

The following is a listing of the City's major employers, their products or services and their approximate number of employees:

| Employer | Employees | Product/Service |
|------------------------------------|-----------|---------------------------------|
| Petal School District | 572 | Education |
| Wal-Mart | 263 | Retail |
| Service Master Co. | 174 | Cleaning & Maintenance Services |
| Lowe's Home Improvement | 140 | Retail |
| Enbridge Liquids | 95 | Manufacturing |
| Defour Petroleum | 95 | Petroleum Products |
| Pierce Construction & Maintenance | 80 | Manufacturing |
| Chili's Grill & Bar | 73 | Restaurant |
| Efurd Machine of MS | 70 | Manufacturing |
| Corner Market | 58 | Restaurant |
| Tri State Environmental LLC | 50 | Environmental Services |
| Diversified CPC International Inc. | 50 | Manufacturing |

SOURCE: Mississippi Development Authority, November 2015.*

Retail Sales

| State Fiscal Year Ended June 30 | Amount |
|---------------------------------|---------------|
| 2014 | \$173,547,777 |
| 2013 | 168,085,346 |
| 2012 | 162,881,374 |
| 2011 | 170,183,974 |
| 2010 | 164,530,395 |

SOURCE: Annual Report for each year shown, Mississippi Department of Revenue's website: www.dor.ms.gov; November 2015.

*MDA's employment figures are as of March 2012.

Unemployment Statistics of the County

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|----------------|------|------|-------|-------|-------|
| January | 7.3% | 7.8% | 10.0% | 10.0% | 10.4% |
| February | 6.4 | 7.8 | 9.3 | 9.3 | 10.3 |
| March | 5.9 | 7.6 | 8.4 | 8.5 | 9.9 |
| April | 5.6 | 6.5 | 7.7 | 7.9 | 9.3 |
| May | 6.9 | 7.9 | 8.9 | 8.9 | 10.0 |
| June | 7.1 | 8.4 | 9.7 | 10.1 | 11.5 |
| July | 7.0 | 8.4 | 9.0 | 10.1 | 11.3 |
| August | 5.8 | 7.8 | 8.1 | 9.1 | 10.6 |
| September | 5.9 | 7.4 | 8.3 | 8.8 | 10.2 |
| October | | 7.1 | 8.2 | 9.0 | 10.1 |
| November | | 6.4 | 7.0 | 7.7 | 9.0 |
| December | | 6.7 | 7.4 | 8.8 | 9.2 |
| Annual Average | % | 7.5% | 8.5% | 9.0% | 10.2% |

SOURCE: Mississippi Department of Employment Security; Labor Market Data at website: www.mdes.ms.gov; November 2015.

Employment Statistics

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|--------|--------|--------|--------|--------|
| RESIDENCE BASED EMPLOYMENT | | | | | |
| I. Civilian Labor Force | 32,430 | 32,090 | 31,480 | 31,120 | 35,040 |
| II. Unemployed | 2,430 | 2,910 | 3,110 | 3,320 | 3,360 |
| Rate | 7.5 | 8.5% | 9.9% | 10.7% | 9.6 |
| III. Employed | 30,000 | 29,280 | 28,370 | 27,800 | 31,680 |
| ESTABLISHMENT BASED EMPLOYMENT | | | | | |
| I. Manufacturing | 3,230 | 3,100 | 3,180 | 3,600 | 2,180 |
| II. Nonmanufacturing | 36,770 | 35,880 | 35,190 | 34,200 | 36,020 |
| A. Agriculture, Forestry, Fishing & Hunting | 80 | 80 | 90 | 80 | 90 |
| B. Mining | 120 | 120 | 140 | 110 | 80 |
| C. Utilities | 450 | 440 | 420 | 400 | 400 |
| D. Construction | 1,490 | 1,380 | 1,380 | 1,220 | 1,350 |
| E. Wholesale Trade | 1,530 | 1,290 | 1,250 | 1,230 | 1,240 |
| F. Retail Trade | 4,030 | 4,160 | 4,130 | 4,200 | 4,170 |
| G. Transportation & Warehousing | 1,320 | 1,510 | 1,400 | 1,300 | 1,210 |
| H. Information | 400 | 430 | 420 | 370 | 360 |
| I. Finance & Insurance | 1,180 | 1,120 | 1,200 | 1,050 | 1,090 |
| J. Real Estate, Rental & Leasing | 470 | 480 | 490 | 450 | 430 |
| K. Prof., Scientific & Technical Services | 830 | 820 | 850 | 930 | 940 |
| L. Management of Companies & Enterprises | 530 | 550 | 540 | 560 | 570 |
| M. Administrative Support & Waste Management | 2,430 | 1,820 | 1,680 | 1,730 | 1,820 |
| N. Educational Services | 580 | 620 | 590 | 580 | 610 |
| O. Health, Care & Social Assistance | 5,340 | 5,150 | 4,940 | 4,800 | 4,780 |
| P. Arts, Entertainment & Recreation | 330 | 330 | 370 | 390 | 420 |
| Q. Accommodation & Food Services | 3,190 | 3,580 | 3,660 | 3,810 | 3,930 |
| R. Other Services (except Public Administration) | 720 | 740 | 730 | 730 | 800 |
| S. Government | 11,320 | 11,160 | 11,030 | 11,230 | 11,450 |
| Education | 4,850 | 4,860 | 4,870 | 4,890 | 4,970 |
| III. Total Nonagricultural Employment | 40,000 | 38,040 | 38,630 | 38,240 | 40,200 |

SOURCE: Mississippi Department of Employment Security; Annual Averages: Labor Force and Establishment Based Employment 2001-2010 and 2011 Forward, Labor Market Information Department at website: www.mdes.ms.gov; November 2015.

Banking Institutions

| Institutions | 2013 Total Assets |
|--|-------------------|
| BancorpSouth Bank | \$ 13,314,758,000 |
| Frost Southern Bank | 188,246,000 |
| Grand Bank for Savings, a Federal Savings Bank | 90,694,000 |
| Hancock Bank | 20,632,572,000 |
| Regions Bank | 118,801,412,000 |
| Trustmark National Bank | 12,248,532,000 |
| Magnolia State Bank | 316,448,000 |

SOURCE: Obtained from each Bank's website, unless otherwise noted; November 2015.

* Main office located in Tupelo, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.
 ** Head office in Columbia, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.
 *** Main office located in Hattiesburg, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.
 **** Main office located in Gulfport, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.
 ***** Regions Bank merged with Union Planters Corporation in July, 2004 and merged with AmSouth Bank in November, 2006. Regions' head office is located in Birmingham, Alabama. Assets are as of December 31, 2014; obtained from FDIC website.
 ***** Main office located in Jackson, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.
 ***** Main office located in Bay Springs, Mississippi. Assets are as of December 31, 2014; obtained from FDIC website.

EXHIBIT "B"

Educational Facilities

The Petal School District (the "District") serves the entire City and consists of one primary school, two elementary schools, one middle school and one high school, and employs approximately 572 people.

Enrollment figures for the District for the 2015-16 scholastic year and the four preceding years are as follows:

| Scholastic Year | Enrollment |
|-----------------|------------|
| 2015-16 | 4,069 |
| 2014-15 | 4,137 |
| 2013-14 | 4,035 |
| 2012-13 | 3,999 |
| 2011-12 | 4,024 |

SOURCE: Petal School District and Office of the Superintendent, and Office of Research and Statistics, Mississippi Department of Education's website: <http://reports.mde.k12.ms.us/maars/>; November 2015.

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Section 21-33-9, Mississippi Code of 1972, as amended, provides that the governing authorities of a municipality which is located within a county having completed a county-wide reappraisal approved by the State Tax Commission and which has been furnished a true copy of that part of the county assessment roll containing the property located within a municipality as provided in Section 27-35-167, Mississippi Code of 1972, as amended, shall adopt such assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

The City may not correct or revise such assessment rolls except for the purpose of conforming the municipal assessment roll to corrections or revisions made to the County assessment roll. All objections to the municipal assessment roll may be heard by the Board of Supervisors of the County at the time and in the manner that objections to the County assessment roll are heard. The Board of Supervisors shall notify, in writing, the Governing Body and the Tax Assessor of the City of any corrections or revisions made by it to the part of the County assessment roll adopted as the municipal assessment roll.

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TAX INFORMATION

Assessed Valuation¹⁴

| Assessment Year | Real Property | Personal Property ¹⁵ | Public Utility Property | Total |
|--------------------|---------------|---------------------------------|-------------------------|--------------|
| 2015 | \$57,772,514 | \$33,422,398 | \$2,097,017 | \$93,291,929 |
| 2014 | 57,023,685 | 31,270,010 | 2,224,190 | 90,517,885 |
| 2013 | 53,589,461 | 31,898,975 | 3,923,263 | 89,411,699 |
| 2012 | 51,402,200 | 29,503,168 | 5,316,947 | 86,222,315 |
| 2011 ¹⁶ | 50,959,997 | 25,773,002 | 5,304,820 | 82,037,819 |

SOURCE: Office of the City Clerk; November 2015.

Assessed valuations are based upon the following assessment ratios:

Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value;

Single-family owner-occupied residential real property, 10 percent of true value; and

Motor vehicles and public utility property, 30 percent of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at 10 percent of true value as opposed to 15 percent of true value under previously existing law.

Procedure for Property Assessments

The Tax Assessor of Forrest County assesses all real and personal property subject to taxation in the County, including property in the City, except motor vehicles and property owned by public service corporations, both of which are required by law to be assessed by the State Tax Commission.

¹⁴ The total assessed valuation is approved in September preceding the Fiscal Year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following Fiscal Year's budget. For example, the taxes for the assessed valuation figures for 2015 will be collected starting in January, 2016 for the 2015-2016 Fiscal Year budget of the City.

¹⁵ Includes mobile homes and automobiles.
¹⁶ The decrease in assessed valuation in 2011 is attributed in (i) 2010 assessed valuation incorrectly including certain fee-in-lieu-of-taxes property at full value which was corrected in 2011; and (ii) re-appraisal.

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Tax Levy Per \$1,000 Valuation¹⁷

| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|--------------------------------|---------|---------|---------|----------|---------|
| General Purpose | 37.88 | 36.79 | 36.89 | 37.74 | 36.08 |
| Library Fund | 0.98 | 1.05 | 1.02 | 1.0356 | 1.10 |
| \$1.2 G.O. Bonds | 3.59 | 3.82 | 0.00 | 1.2036 | .50 |
| \$2.5 G.O. Bonds | 0.00 | 0.00 | 3.83 | 1.5365 | 2.57 |
| \$5.0 G.O. Bonds | 3.76 | 4.55 | 4.47 | 4.695 | 4.96 |
| Solid Waste | 0.00 | 0.00 | 0.00 | 0.00 | 1.00 |
| Total | 46.21 | 46.21 | 46.21 | 46.2107 | 46.21 |
| Petal Separate School District | | | | | |
| SSD D/M | 55.00 | 55.00 | 55.62 | 58.52 | 60.70 |
| School Note | 2.38 | 2.38 | 1.32 | 1.48 | 2.00 |
| Special Levy | 4.47 | 4.47 | 3.51 | 2.56 | 2.50 |
| Shortfall Note | 0.23 | 0.23 | 1.93 | 0.55 | 0.00 |
| Total | 62.08 | 62.08 | 62.38 | 62.11 | 65.20 |
| Grand Total | 108.29 | 108.29 | 108.59 | 109.3207 | 111.41 |

SOURCE: Office of the City Clerk; November 2015.

Ad Valorem Tax Collections

| Fiscal Year September 30 | Amount Budgeted | Amount Collected | Difference Over/(Under) |
|-----------------------------|-----------------|------------------|----------------------------|
| 2015 | 2,950,000 | 3,304,993.84 | |
| 2014 | 2,989,000 | 3,287,179.39 | |
| 2013 | 3,362,541 | 3,237,875.68 | |
| 2012 | 3,332,286 | 3,033,840.22 | |
| 2011 | 4,010,811 | 2,866,353.32 | |

SOURCE: Office of the City Clerk; November 2015.

¹⁷Tax levy figures are given in mills.

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EXHIBIT "B"

Procedure for Tax Collections

The Governing Body is required to levy a special tax upon all of the taxable property within the geographical limits of the City each year sufficient to provide for the payment of the principal of and interest on the City's general obligation bonds, including the Bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes bear interest at the rate of 1 percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 21-33-63, Mississippi Code of 1972, as may be amended from time to time, and related statutes provide that after the fifteenth day of February and after the fifteenth day of September in each year, the tax collector for each municipality shall advertise all lands in such municipality on which all the taxes due and in arrears have not been paid, as well as all land liable for sale on the first Monday of April or the third Monday of September following, as the case may be.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On September 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the State Tax Commission was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the State Tax Commission equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the State Tax Commission filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the State Tax Commission could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the

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exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Tax Commission. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next preceding year.

Ten Largest Taxpayers

The ten largest taxpayers in the City Petal for fiscal year 2014 are as follows:

| Taxpayer | Assessed Valuation | Taxes Collected |
|--------------------------------|--------------------|-----------------|
| PETAL GAS STORAGE | \$20,589,386 | \$ 339,938.60 |
| ENTERPRISE PRODUCTS COMPANY | 4,241,739 | 196,010.76 |
| WAL-MART STORES | 1,804,060 | 83,365.62 |
| GEORGIA POWER COMPANY | 1,154,733 | 53,360.21 |
| LOWE'S HOME CENTERS INC | 1,501,238 | 69,372.21 |
| BP ENERGY COMPANY | 788,710 | 36,446.29 |
| MIDSTREAM COMBUSTION CORP | 776,578 | 35,885.67 |
| CHEVRON NATURAL GAS | 609,693 | 28,186.39 |
| CMS GAS TRANSMISSION & STORAGE | 538,207 | 24,870.55 |
| MISSISSIPPI POWER | 530,466 | 24,512.83 |
| TOTAL | \$32,534,810 | \$891,949.13 |

SOURCE: Office of the City Clerk; November 2015

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DEBT INFORMATION

Legal Debt Limit Statement

(as of November 2015)

| | 15% Debt | 20% Debt |
|---|--------------|--------------|
| Authorized Debt Limit (Last Completed Assessment for Taxation - \$93,291,929) | \$13,993,789 | \$18,658,385 |
| Present Debt Subject to Debt Limits | 7,748,404 | 12,413,000 |
| Margin for Further Debt Under Debt Limits | \$6,245,385 | \$6,245,385 |
| Less this Offering | | |
| Margin for Further Debt After Issuance of Bonds | | |

Statutory Debt Limits

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefited, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefited. However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such municipality.

Intervening in this matter, Water and Sewer Bonds, dated April 2, 2015 (2015 GO Bonds), payable exclusively from the 20% debt limitation of the City. The net revenues of the combined water and sewer system are only subject to the 20% debt limitation of the City. The net revenues of the combined water and sewer system are only subject to the 15% debt limitation of the City to the extent the amount of debt issued is in excess of the difference between the 15% and 20% debt limitation.

To be refunded with the Bonds: Loans to the City funded from the proceeds from the Mississippi Development Bank \$8,500,000 Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, secured by this Preliminary Note under a loan agreement between the Mississippi Development Bank and the City payable from the revenues of the combined water and sewer system of the City.

To be refunded with the Bonds: Loans to the City funded from the proceeds from the Mississippi Development Bank \$6,500,000 Special Obligation Bonds, Series 2007 (Petal, Mississippi Combined Water and Sewer System Project), dated December 13, 2007, secured by this Preliminary Note under a loan agreement between the Mississippi Development Bank and the City payable from the revenues of the combined water and sewer system of the City.

Above chart does not include the General Obligation Water and Sewer Refunding Bonds, Series 2015, as the Bonds are not net revenues of the combined water and sewer system and are only subject to the 20% debt limitation of the City.

Above chart does not include the General Obligation Water and Sewer Refunding Bonds, Series 2015, as the Bonds are not net revenues of the combined water and sewer system and are only subject to the 20% debt limitation of the City.

Preliminary, subject to change.

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Outstanding General Obligation Bonded Debt Subject to Debt Limits

(as of November 2015)

| Issue | Date of Issue | Outstanding Principal |
|--|---------------|-----------------------|
| General Obligation Bonds | 04/27/06 | \$235,000 |
| General Obligation Refunding Bonds | 09/27/12 | 1,690,000 |
| General Obligation Bonds | 6/12/14 | 913,000 |
| General Obligation Refunding Bonds | 2/24/15 | 3,065,000 |
| General Obligation Water & Sewer Bonds | 4/9/15 | 6,510,000 |
| Total | | \$12,413,000 |

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EXHIBIT "B"

Other Outstanding Long Term Debt

(as of November 2015)

| Issue | Date of Issue | Outstanding Principal |
|---|---------------|-----------------------|
| Capital Leases | Various | \$ 1,061,457.44 |
| Promissory Note (Petal, Mississippi Combined Water and Sewer System Project) ¹ | 02/01/06 | 2,235,000.00 |
| Promissory Note (Petal, Mississippi Combined Water and Sewer System Project) ² | 12/13/07 | 3,200,000.00 |
| Total | | \$6,496,457.44 |

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Annual Debt Service Requirements for General Obligation Indebtedness¹

| | Existing Debt | | | New Debt | | | Estimated Total Debt |
|--------------|---------------|----------|-------|-----------|----------|-------|----------------------|
| | Principal | Interest | Total | Principal | Interest | Total | |
| 2015 | | | | | | | |
| 2016 | | | | | | | |
| 2017 | | | | | | | |
| 2018 | | | | | | | |
| 2019 | | | | | | | |
| 2020 | | | | | | | |
| 2021 | | | | | | | |
| 2022 | | | | | | | |
| 2023 | | | | | | | |
| 2024 | | | | | | | |
| 2025 | | | | | | | |
| 2026 | | | | | | | |
| Total | | | | | | | |

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General Obligation Bonded Debt¹

| Issue | Fiscal Year Ended September 30 | | | | | Total |
|--|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2015 | 2014 | 2013 | 2012 | 2011 | |
| General Obligation Bonds (6/1/01) | -0- | \$-0- | \$-0- | \$-0- | \$ 500,000 | \$ 585,000 |
| General Obligation Bonds (7/1/04) | -0- | -0- | -0- | 110,000 | 1,880,000 | 1,990,000 |
| General Obligation Bonds (4/27/06) | 235,000 | 3,505,000 | 3,720,000 | 3,910,000 | 4,130,000 | 4,320,000 |
| General Obligation Refunding Bonds (9/27/12) | 1,690,000 | 1,955,000 | 2,095,000 | 2,155,000 | -0- | -0- |
| General Obligation Bonds (6/12/14) | 913,000 | 1,000,000 | -0- | -0- | -0- | -0- |
| General Obligation Refunding Bonds (2/25/15) | 3,065,000 | -0- | -0- | -0- | -0- | -0- |
| Total | \$5,903,000 | \$6,460,000 | \$5,815,000 | \$6,195,000 | \$6,510,000 | \$6,885,000 |

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Debt Ratios

| FY Ended September 30 | General Obligation Debt | General Obligation Debt to Assessed Value |
|-----------------------|-------------------------|---|
| 2015 | \$5,903,000 | |
| 2014 | 6,460,000 | 7.13 |
| 2013 | 5,815,000 | 6.50 |
| 2012 | 6,195,000 | 7.18 |
| 2011 | 6,510,000 | 7.93 |

Overlapping/Underlying General Obligation Indebtedness

(as of November 2015)

| County | 2010 Population | General Obligation Bonded Debt | General Obligation Bonded Debt Per Capita |
|----------------|-----------------|--------------------------------|---|
| Forrest County | 74,934 | \$34,655,000 | \$462.47 |

SOURCE: Office of Chancery Clerk for Forrest County; November 2015

| School Districts | Total General Obligation Bonded Debt |
|-----------------------|--------------------------------------|
| Petal School District | \$6,900,000 |

SOURCE: 2013 Audited Financial Statement of District

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EXHIBIT "B"

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APPENDIX B
AUDIT

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FINANCIAL STATEMENT FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2014

EXHIBIT "B"

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APPENDIX C

SCHEDULE OF REFUNDED 2006 BANK BONDS
AND
SCHEDULE OF REFUNDED 2007 BANK BONDS

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SCHEDULE OF REFUNDED BONDS**

\$8,500,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2006
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: FEBRUARY 1, 2006

| | | | |
|----------------|----|--------|------------------|
| \$ 285,000 | at | 6.000% | due July 1, 2017 |
| 300,000 | at | 4.000 | due July 1, 2018 |
| 320,000 | at | 4.125 | due July 1, 2019 |
| 335,000 | at | 4.125 | due July 1, 2020 |
| 350,000 | at | 4.250 | due July 1, 2021 |
| <u>370,000</u> | at | 4.250 | due July 1, 2022 |
| \$1,960,000* | | | |

*This figure represents the outstanding Refunded 2006 Bank Bonds to be advance refunded.

Interest Payment Dates are January 1 and July 1 of each year.

The principal of the Refunded 2006 Bank Bonds maturing in years 2017 through 2022, both inclusive, are to be optionally redeemed on July 1, 2016 at redemption price of 102% plus accrued interest.

EXHIBIT "B"

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

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

| | | | |
|----------------|----|-------|------------------|
| \$220,000 | at | 4.000 | due July 1, 2018 |
| 230,000 | at | 4.000 | due July 1, 2019 |
| 240,000 | at | 4.125 | due July 1, 2020 |
| 255,000 | at | 4.200 | due July 1, 2021 |
| 270,000 | at | 4.250 | due July 1, 2022 |
| 285,000 | at | 4.500 | due July 1, 2023 |
| 300,000 | at | 4.500 | due July 1, 2024 |
| 315,000 | at | 4.500 | due July 1, 2025 |
| 330,000 | at | 4.500 | due July 1, 2026 |
| <u>345,000</u> | at | 4.500 | due July 1, 2027 |
| \$2,790,000* | | | |

*This figure represents the outstanding Refunded 2007 Bank Bonds to be advance refunded.

Interest Payment Dates are January 1 and July 1 of each year.

The principal of the Refunded 2007 Bank Bonds maturing in years 2018 through 2027, both inclusive, are to be optionally redeemed on July 1, 2017 at redemption price of 100% plus accrued interest.

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Petal, Mississippi (the "Issuer") in connection with the issuance of \$____,000 City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, dated _____, 2016 (the "Bonds") of the Issuer. The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered and constitutes the written undertaking by the Issuer for the benefit of the owners, including beneficial owners, or holders of the Bonds (the "Bondholders"), required by Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), and is further executed and delivered in order to assist the Participating Underwriter (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution (the "Bond Resolution"), which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the most recent, publicly available Issuer's annual financial statements, prepared in accordance with GAAP for governmental units as prescribed by GASB, which financial statements shall have been audited by such auditor as shall be then required or permitted by the laws of the State of Mississippi (the "State").

"Beneficial Owner" shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Business Day" means any day, other than a Saturday or Sunday, on which the Paying Agent or the City Hall of the City is not closed and on which the payment system of the Federal Reserve System, New Orleans branch, is operational.

"Disclosure Representative" shall mean the City Clerk of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate in writing from time to time.

"EMMA" shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

"GAAP" shall mean generally accepted accounting principles, as such principles are prescribed, in part, by the Financial Accounting Standards Board and modified by the Government Accounting Standards Board and in effect from time to time.

EXHIBIT "B"

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the single centralized repository for the collection and availability of continuing disclosure documents for purpose of the Rule. The continuing disclosure documents must be provided to the MSRB in searchable portable document format (PDF) to the following:

Municipal Securities Rulemaking Board
Electronic Municipal Market Access Center
www.emma.msrb.org

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

"Participating Underwriter" shall mean Raymond James, Inc., Memphis, Tennessee, the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Official Statement" shall mean the final Official Statement for the Bonds dated _____, 2015.

"Paying Agent" shall mean Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the 1934 Act, as the same may be amended from time to time.

"Securities Counsel" shall mean legal counsel expert in federal securities law.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall not later than twelve (12) months after the end of each fiscal year (the "Report Date"), commencing September 30, 2016, provide to the MSRB through EMMA the Annual Report, which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report. If the audited financial statements are not complete by the Report Date, the Issuer will provide audited financial statement to the MSRB through EMMA, no later than sixty (60) days upon receipt of the audited financial statements.

(b) The Issuer may adjust the Report Date if the Issuer changes its fiscal year (October 1 to September 30) (the "Fiscal Year") by providing written notice of the change of Fiscal Year and the new Report Date to the MSRB; provided that the new Report Date shall no more than twelve (12) months after the end of the new Fiscal Year and provided further that the

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- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves, if any, reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property, if any, securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and/or
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) If the Issuer determines that a Listed Event has occurred, the Issuer shall promptly cause a notice of such occurrence to be filed with the MSRB, through EMMA. In connection with providing a notice of the occurrence of a Listed Event described in subsection (a)(9), the Issuer shall include in the notice explicit disclosure as to whether the Bonds have been escrowed to maturity or escrowed to call, as well as appropriate disclosure of the timing of maturity or call.

(c) The Issuer acknowledges that the "rating changes" referred to above in Section 5(a)(11) of this Disclosure Certificate may include, without limitation, any change in any rating on the Bonds or other indebtedness for which the Issuer is liable.

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period between the final Report Date relating to the former Fiscal Year and the initial Report relating to the new Fiscal Year shall not exceed one (1) year in duration.

(c) If the Issuer is unable to provide to the MSRB the Annual Report, including Audited Financial Statements by the date required in subsection (a), the Issuer shall send or cause to be sent a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(d) In accordance with MSRB Notice 2009-04 (January 9, 2009), the filing requirements set forth in Sections 3(a) and 5 hereof shall be satisfied exclusively by submitting to EMMA the Annual Report and Listed Events described herein.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the information described below:

- (i) The Audited Financial Statements, if available;
- (ii) The accounting principles pursuant to which the Audited Financial Statements were prepared, and
- (iii) The operating and financial information set forth in Exhibit B, which is the substantial operating and financial information contained in the Official Statement.

The Issuer's financial statements shall be audited and prepared in accordance with GAAP with such changes as may be required from time to time in accordance with the laws of the State.

The Issuer reserves the right to cross-reference any or all such annual financial information and operating data to other documents to be provided to the MSRB.

The Issuer reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 7 hereof.

Any or all of the items listed above may be included by specific reference to other documents available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"). The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Listed Events.

(a) The Issuer covenants to provide, or cause to be provided, to the MSRB notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;

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(d) The Issuer acknowledges that it is not required to provide a notice of a Listed Event with respect to credit enhancement when the credit enhancement is added after the primary offering of the Bonds, the Issuer does not apply for or participate in obtaining such credit enhancement, and such credit enhancement is not described in the Official Statement.

SECTION 6. Mandatory Electronic Filing with EMMA. All filings with the MSRB under this Disclosure Certificate shall be made by electronically transmitting such filings through the EMMA Dataport at <http://www.emma.msrb.org>, as provided by the amendments to the Rule adopted by the SEC in Securities Exchange Release No. 59062 on December 5, 2008.

SECTION 7. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Certificate, this Disclosure Certificate may be amended, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (1) If the amendment or waiver relates to the provisions of Section 3(a), 3(b), 3(c), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature, or status of the Issuer or the type of business conducted by the Issuer;
- (2) This Disclosure Certificate, as so amended or taking into account such waiver, would, in the opinion of Securities Counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

(b) In the event of any amendment to, or waiver of a provision of, this Disclosure Certificate, the Issuer shall describe such amendment or waiver in the next Annual Report and shall include an explanation of the reason for such amendment or waiver. In particular, if the amendment results in a change to the annual financial information required to be included in the Annual Report pursuant to Section 4 of this Disclosure Certificate, the first Annual Report that contains the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of such change in the type of operating data or financial information being provided. Further, if the annual financial information required to be provided in the Annual Report can no longer be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be included in the first Annual Report that does not include such information.

(c) If the amendment results in a change to the accounting principles to be followed in preparing financial statements as set forth in Section 4 of this Disclosure Certificate, the Annual Report for the Fiscal Year in which the change is made shall include a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of such differences and the impact of the changes on the

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EXHIBIT "B"

presentation of the financial information. To the extent reasonably feasible, the comparison shall also be quantitative. A notice of the change in accounting principles shall be filed by the Issuer with the MSRB.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or Notice of Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or Notice of Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or Notice of Material Event.

SECTION 9. Failure to Comply. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any Participating Underwriter or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Provided, with respect to matters relating to the adequacy of the information required by the Rule, only bondholders aggregating not less than twenty-five percent (25%) of the aggregate principal amount of the Bonds outstanding may exercise remedies with respect thereto. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance. The Paying Agent shall not have any power or duty to enforce this Disclosure Certificate.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter and the owners, including Beneficial Owners, or holders of the Bonds, and shall create no rights in any other person or entity.

SECTION 11. Transmission of Information and Notices. Unless otherwise required by law or this Disclosure Certificate and, in the sole determination of the Issuer, subject to technical and economic feasibility, the Issuer shall employ such methods of information and notice transmission as shall be requested or recommended by the herein designated recipients of such information and notices.

SECTION 12. Governing Law. This Disclosure Certificate shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of this Disclosure Certificate shall be instituted in a court of competent jurisdiction in the State. Notwithstanding the foregoing, to the extent this Disclosure Certificate addresses matters of federal securities laws, including the Rule, this Disclosure Certificate shall be construed and interpreted in accordance with such federal securities laws and official interpretations thereof.

SECTION 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriter and the owners, including Beneficial Owners, or holders of the Bonds, and shall create no rights in any other person or entity.

CITY OF PETAL, MISSISSIPPI

By: _____
Mayor

ATTEST:

City Clerk

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EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Petal, Mississippi
Name of Bond Issue: \$____,000 City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016
Date of Issuance: _____, 2016
CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _____, 2016. The Issuer anticipates that the Annual Report will be filed by _____

Dated: _____

CITY OF PETAL, MISSISSIPPI

By: _____
Authorized Officer

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EXHIBIT B

Name of Issuer: City of Petal, Mississippi
Name of Bond Issue: \$____,000 City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016
Date of Issuance: _____, 2016
CUSIP Number: _____

TAX INFORMATION

Assessed Valuation of the City^{*)}

| Assessment Year | Real Property | Personal Property | Public Utility Property | Mobile Homes | Auto-Mobiles | Total |
|-----------------|---------------|-------------------|-------------------------|--------------|--------------|-------|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

^{*)} The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 20__ are collected starting in January, 20__ for the 20__-20__ fiscal year budget of the City.

^{*)} Tax levy figures given in mills. The County levies a tax of nine cents per acre on all timbered and/or uncultivated land located in the County.

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EXHIBIT "B"

Tax Levy Per \$1,000 Valuation

| | | | | | |
|-------------------------|--|--|--|--|--|
| | | | | | |
| City - General Purpose: | | | | | |
| Operating Millage | | | | | |
| Debt Millage | | | | | |
| Total for City: | | | | | |

Ad Valorem Tax Collections

| Fiscal Year Ended September 30 | Amount Budgeted | Amount Collected | Difference Over/(Under) |
|-----------------------------------|-----------------|---------------------|----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

DEBT INFORMATION

Legal Debt Limit Statement

(as of _____)

| | 15% Limit | 20% Limit |
|--|-----------|-----------|
| Authorized Debt Limit (Last Completed Assessment for Taxation - \$) | | |
| Present Debt Subject to Debt Limits | | |
| Margin for Further Debt Under Debt Limits | | |

Outstanding General Obligation Bonded Debt

(as of _____)

| Issue | Date of Issue | Outstanding Principal |
|-------|---------------|--------------------------|
| | | |
| | | |

Other Outstanding Debt

(as of _____)

| Issue | Date of Issue | Outstanding Principal |
|-------|---------------|--------------------------|
| | | |
| | | |
| | | |
| | | |

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EXHIBIT "B"

[FORM OF OPINION OF BOND COUNSEL]

Mayor and Board of Aldermen
City of Petal, Mississippi

Re: \$____,000 City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016

Dear Sirs:

We have acted as Bond Counsel ("Bond Counsel") for the City of Petal, Mississippi (the "City"), in connection with the issuance of the City of Petal, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2016, dated _____, 2016 in the total authorized aggregate principal amount of \$_____ (the "Bonds").

The Bonds bear interest, mature and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Mayor and Board of Aldermen of the City on November 17, 2015, authorizing their issuance (the "Bond Resolution"). The Bonds are subject to optional redemption prior to maturity to the extent provided in the Bond Resolution. Capitalized terms not defined herein are to be defined as set forth in the Bond Resolution.

We have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Mississippi (the "State"), and with respect to the exemption of interest on the Bonds from federal and State income taxation. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph. We have relied on the authenticity, truthfulness and completeness set forth in such documents, instruments and certificates. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the City, customary certificates of officers, agents and representatives of the City and other public officials and other matters relating to the authorization and issuance of the Bonds including a certification of the City prepared pursuant to Section 1,148-2(b)(2)(i) of the United States Treasury Regulations (the "Non-Arbitrage Certificate"). We have also examined Bond No. 1 of this issue.

Based on such examination, it is our opinion that:

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State presently in effect, and that the Bonds

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constitute valid and legally binding obligations of the City, payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2016 Bond Fund of the Bonds or has made other provisions for funds, including the pledge of the net revenues of the System, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City; in accordance with the provisions of the Bond Resolution.

2. Under existing law, regulations and court decisions, as presently interpreted and construed, interest on the Bonds is exempt from all present income taxes imposed by the State.

3. Under existing law, regulations and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as a specific item of tax preference under Section 57 of the Code in calculating the alternative minimum tax imposed by Section 55 of the Code. Such interest, however, is taken into account in determining "adjusted current earnings" of certain corporations for purposes of computing the alternative minimum tax.

The Mayor and Board of Aldermen of the City, acting for and on behalf of the City, has covenanted in the Bond Resolution and the Non-Arbitrage Certificate that the City will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be includable in the gross income of the registered owners 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. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue.

In rendering the foregoing opinion, Bond Counsel has assumed the continuing compliance by the City with the tax covenants and representations in the Bond Resolution and the representations of the City in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the Refunding Project, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded 2006 Note, the Refunded 2007 Note, the Refunded 2006 Bank Bonds, the Refunded 2007 Bank Bonds, the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

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Section 265(b)(1) of the Code provides that certain financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986 other than "qualified tax-exempt obligations" as defined in Section 265(b)(3)(B) of the Code. The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(B) of the Code, and in the case of certain financial institutions (within the meaning of Section 265(b)(5) of the Code), eighty percent (80%) of the interest expense deemed incurred by such financial institutions to purchase or to carry "qualified tax-exempt obligations" is deductible.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the environmental tax, the branch profits tax and the tax on passive investment income of corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar law affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and that the enforcement thereof may be subject to the exercise of judicial discretion in appropriate cases.

In this opinion letter issued in our capacity as Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings. In rendering this opinion we have relied upon the opinion of Tom Tyner, Esquire, acting as counsel for the City, dated the date hereof, as to the due authorization and execution by and enforceability against the City as to the Bonds and the Bond Resolution.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

BUTLER SNOW LLP

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EXHIBIT "B"

BOND PURCHASE AGREEMENT

\$____,000

CITY OF PETAL, MISSISSIPPI

GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS, SERIES 2016

Dated: _____

Mayor and Board of Aldermen
Petal, Mississippi

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriter"), acting on its own behalf and not as agent or fiduciary for you, hereby offers to enter into this agreement with the City of Petal, Mississippi (the "Issuer" or "City"), which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 o'clock p.m., Central Standard Time on this date.

1. **Purchase Price.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned \$____,000 General Obligation Water and Sewer Refunding Bonds, Series 2016 (the "Bonds") pursuant to a resolution adopted by the Mayor and Board of Aldermen of the City (the "Governing Authority") on November 17, 2015 (the "Sales Parameter and Bond Resolution") authorizing and approving the issuance and sale of the Bonds. The purchase price of each maturity of the Bonds is set forth in SCHEDULE I hereto. Such purchase prices shall be paid at the Closing (hereinafter defined) in accordance with paragraph 6 hereof. The Bonds are issued pursuant to Sections 31-27-1 *et seq.*, of the Mississippi Code of 1972, as amended and/or supplemented from time to time and other constitutional and statutory authority (the "Act"). The Bonds shall mature on the dates and shall bear interest at the

fixed rates, all as described in SCHEDULE II attached hereto. A portion of the proceeds of the Bonds will be deposited with (a) Whiney Bank d/b/a Hancock Bank, Jackson, Mississippi, as 2006 Escrow Agent (the "2006 Escrow Agent"), and invested pursuant to the Escrow Deposit Trust Agreement, to be dated _____, between the Mississippi Development Bank (the "Bank"), the Issuer and the 2006 Escrow Agent (the "2006 Escrow Agreement") and applied to the payment of principal of and premium, if any, and interest for the Issuer's outstanding Refunded 2006 Note and the Bank's Refunded 2006 Bank Bonds; (b) Regions Bank, Birmingham, Alabama, as 2007 Escrow Agent (the "2007 Escrow Agent"), and invested pursuant to the Escrow Deposit Trust Agreement, to be dated _____, between the Mississippi Development Bank (the "Bank"), the Issuer and the 2007 Escrow Agent (the "2007 Escrow Agreement") and applied to the payment of principal of and premium, if any, and interest for the Issuer's outstanding Refunded 2007 Note and the Bank's Refunded 2007 Bank Bonds, which is described in the Bond Resolution and the Preliminary Official Statement, as hereinafter defined (together, the "Refunded Bonds").

2. **Public Offering.** The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on SCHEDULE II attached hereto, and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than such public offering prices. Not less than ten (10) business days prior to the Closing, the Underwriter agrees to furnish to Butler Snow LLP, a certificate in a form acceptable to Bond Counsel (i) specifying the re-offering prices at which a substantial amount of the Bonds were reasonably expected to be sold to the public (excluding bond dealers, brokers and other intermediaries) and (ii) certifying the accuracy of such re-offering prices (if lower than those set out in SCHEDULE II). The Underwriter acknowledges that Bond Counsel will rely on such representations in making their determination that the Bonds are not "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended.

3. **Representative.** Lindsey Rea, Vice President, is duly authorized to execute this Bond Purchase Agreement on behalf of the Underwriter.

4. **Official Statement.** The Issuer shall deliver to the Underwriter at least one (1) copy of the Official Statement, dated the date hereof relating to the Bonds, executed on behalf of the Issuer by the duly authorized officers of the Governing Authority. The Issuer agrees to amend or supplement the Official Statement on or prior to the Closing whenever requested by the Underwriter when, in the reasonable judgment of the Underwriter and/or Bond Counsel to the Issuer, such amendment or supplementation is required.

You hereby ratify and approve the lawful use of the Preliminary Official Statement, dated _____, 2015, relating to the Bonds (the "Preliminary Official Statement") by the Underwriter prior to the date hereof, and authorize and approve the Official Statement and other pertinent documents referred to in Section 7 hereof to be lawfully used in connection with the offering and sale of the Bonds. The Issuer has previously provided the Underwriter with a copy of its Preliminary Official Statement. As

of its date, the Preliminary Official Statement is deemed final by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The Issuer agrees to provide to the Underwriter within seven (7) business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

5. **Representations of the Issuer.**

(a) The Issuer has duly authorized all necessary action to be taken by it for: (i) the sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; and (iii) the execution, delivery and receipt of this Bond Purchase Agreement and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement, and the Bond Resolution;

(b) The information relating to the Issuer contained in the Official Statement is and, as of the date of Closing, will be correct in all material respects and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading;

(c) To the knowledge of the Issuer there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against or affecting the Issuer or the Governing Authority or threatened against or affecting the Issuer or the Governing Authority (or, to the knowledge of the Issuer or the Governing Authority, any basis therefor) contesting the due organization and valid existence of the Issuer or the Governing Authority or the validity of the Act or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity or due adoption of the Bond Resolution or the validity, due authorization and execution of the Bonds, this Bond Purchase Agreement or any agreement or Instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement;

(d) The authorization, execution and delivery by the Issuer of the Official Statement, this Bond Purchase Agreement and the other documents contemplated hereby and by the Official Statement, and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provisions of the Constitution or laws of the State of Mississippi, or any existing law, court or administrative regulation, decree or order by which the Issuer or its properties are or, on the date of Closing, will be bound;

EXHIBIT "B"

(e) All consents of, notices to or filings with governmental authorities necessary for the consummation by the Issuer of the transactions described in the Official Statement, the Bond Resolution and this Bond Purchase Agreement (other than such consents, notices and filings, if any, as may be required under the securities or blue sky laws of any federal or state jurisdiction) have been obtained or made or will be obtained or made prior to delivery of the Bonds;

(f) The Issuer agrees to cooperate with the Underwriter and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the Issuer shall not be required to register as a dealer or a broker in any such state or jurisdiction or qualify as a foreign corporation or file any general consents to service of process under the laws of any state. The Issuer consents to the lawful use of the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications;

(g) The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Issuer on other matters) nor has it assumed any other obligation to the Issuer except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Issuer; and (v) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds; and

(h) The Issuer is an "obligated person" within the meaning of Rule 15c2-12(f)(b) and shall have duly authorized, executed and delivered a continuing disclosure agreement which complies with the provisions of Rule 15c2-12(b)(5) and which shall substantially set forth those provisions set forth in the Preliminary Official Statement.

6. **Delivery of, and Payment for, the Bonds.** At 10:30 o'clock a.m., Central Standard Time, on or about _____, 2016 or at such other time or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as Paying Agent (the "Paying Agent"), one Bond for each separate maturity (whether serially or by term) of the Bonds in typewritten form, duly executed, authenticated and issued in the name of "Cede & Co.," the nominee name of The Depository Trust Company (the "Securities Depository"), together with the other documents hereinafter mentioned and, if applicable, any other moneys required by the Bond Resolution to be provided by the Issuer to refund the Refunded Bonds (as defined in the Bond Resolution) and, subject to the conditions contained herein, the

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(viii) Certified copies of the Bond Resolution and all other resolutions of the Issuer and the Decree of Validation relating to the issuance and/or sale of the Bonds, as applicable;

(ix) A certificate of a duly authorized officer of the Issuer, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner required by Bond Counsel, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Bonds and of any other funds of the Issuer expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, the Issuer's expectations are reasonable;

(x) A certificate of the Paying Agent, as to (a) its corporate capacity to act as such, (b) the incumbency and signatures of authorized officers, and (c) its due registration of the Bonds delivered at the Closing by an authorized officer;

(xi) A copy of the Blanket Issuer Letter of Representations of the City;

(xii) An executed continuing disclosure agreement as described in Paragraph 5 (h) herein;

(xiii) An executed 2006 Escrow Agreement and 2007 Escrow Agreement;

(xiv) A certificate of the Escrow Agent, as to (a) its corporate capacity to act as such, and (b) the incumbency and signatures of authorized officers;

(xv) A letter with respect to the Bonds, dated the date of Closing, of The Arbitrage Group, Inc. certificated public accountants (the "Verification Agent"), to the effect that they have verified the accuracy of mathematical calculations of the adequacy of the maturing principal amounts of the obligations to be deposited in the Escrow Fund, as defined in the Bond Resolution, together with the interest earned and to be earned thereon and unvested cash, if any, to be held by the Escrow Agent to pay when due the interest, the principal and redemption premium, if any, of the Refunded Bonds on the dates and in the amounts provided in the Escrow Agreement;

(xvi) A 2% net present value savings certificate from Raymond James;

(xvii) Rating Confirmation (if applicable); and

(xviii) Other certificates of the Issuer listed on a Closing Memorandum, including any certificates or representations required in order for Bond Counsel to deliver the opinions referred to in Paragraphs 7(b)(i) and (ii) hereof and such additional

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Underwriter will accept such delivery and pay the purchase price of the Bonds in Federal Funds at the office of the Paying Agent and/or the depository of the Issuer, as applicable, for the account of the Issuer. Such payment and delivery is herein called the "Closing."

7. **Certain Conditions to Underwriter's Obligations.** The obligations of the Underwriter hereunder shall be subject to the performance by the Issuer of its obligations to be performed hereunder, and to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall have been adopted and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, (ii) the Bonds may have been validated by the Chancery Court of Forrest County, Mississippi, (iii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement and the Bond Resolution, and (iv) there shall have been duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and

(b) At or prior to the Closing, the Underwriter shall have received each of the following:

(i) The approving opinion of Bond Counsel, dated the date of the Closing, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the law existing on the date of the Closing, in a form satisfactory to the Underwriter;

(ii) A supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Issuer and the Underwriter in a form satisfactory to the Underwriter;

(iii) The opinion of counsel to the City (the "Issuer's Counsel") as to the due authorization and execution by and enforceability against the City as to the Bonds and the Bond Resolution;

(iv) The opinion of counsel to the Underwriter (the "Underwriter's Counsel"), dated the date of the Closing, addressed to the Underwriter in a form satisfactory to the Underwriter;

(v) Certificates of the Issuer dated the date of the Closing, executed by authorized officers in a form satisfactory to the Underwriter;

(vi) The Official Statement executed on behalf of the Issuer by the duly authorized officers thereof;

(vii) A specimen of the Bonds;

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legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Issuer with applicable legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations contained herein, and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied by each of them at or prior to such time.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter. The Issuer will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents relating to the Bonds as the Underwriter may reasonably request.

8. **Conditions to Obligations of the Issuer.** The obligations of the Issuer hereunder to deliver the Bonds shall be subject to receipt of the opinions of Bond Counsel described in Sections 7(b)(i) and (ii) hereof.

9. **Termination.** The Underwriter shall have the right to cancel their obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made, with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of adversely changing the federal income tax consequences of any of the transactions contemplated in connection herewith, and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a default with respect to the debt obligations of the Issuer, or the institution of proceedings under federal or state bankruptcy laws by or against the Issuer, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange, or (v) a general banking moratorium shall have been declared by either federal, Mississippi or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the affairs of the Issuer, including any change in rating status, except for changes which the Official Statement discloses as having occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange

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EXHIBIT "B"

Commission which, in the opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution, or any other document executed in connection with the transactions contemplated hereof, to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, (ix) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred, (x) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or State of Mississippi agency or the Congress of the United States, or by executive order of the President of the United States, or (xi) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter, the market for the Bonds is materially affected thereby.

If the Issuer shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof, shall continue in full force and effect.

10. **Additional Covenants.** The Issuer covenants and agrees with the Underwriter as follows:

(a) The Issuer shall furnish or cause to be furnished to the Underwriter as many copies of the Official Statement as the Underwriter may reasonably request; and

(b) Before revising, amending or supplementing the Official Statement, the Issuer shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of the Issuer, its Bond Counsel and the Underwriter, a supplement or amendment to the Official Statement is required, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and Bond Counsel.

11. **Survival of Representations.** All representations and agreements of the Issuer and the Underwriter hereunder shall remain operative and in full force and effect, and shall survive the delivery of the Bonds and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

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16. **General.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.
MEMPHIS, TENNESSEE

Lindsey Rea, Vice President

12. **Payment of Expenses.** If the Bonds are sold to the Underwriter by the Issuer, the Issuer shall pay, from the proceeds of the Bonds, any reasonable expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Preliminary Official Statement and the Official Statement; (ii) the cost of the preparation of book-entry Bonds; (iii) any rating agency fees; (iv) the cost of distribution of the Preliminary Official Statement and the Official Statement; (v) the fees and expenses of Bond Counsel, Issuer's Counsel, the Paying Agent, the Verification Agent and any other experts or consultants retained by the Issuer and (vi) the cost of any Federal Funds necessary to pay the purchase price of the Bonds.

The Underwriter shall pay (a) all advertising expenses in connection with the public offer of the Bonds and (b) all other expenses incurred by the Underwriter in connection with their public offering.

13. **Notices.** Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the Issuer set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., Memphis, Tennessee.

14. **Parties.** This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of either) and no other person shall acquire or have any right hereunder or by virtue hereof.

15. **Governing Law.** This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi.

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EXHIBIT "B"

2016

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

EXHIBIT D

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2006 BANK BONDS

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 2017 through 2022, 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 2017 through 2022, both inclusive (the "Refunded 2006 Bank Bonds") and the redemption of the 2006 Bank Bonds maturing on July 1 in the years 2017 through 2022, 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 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,

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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 Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as Escrow Agent (the "206 Escrow Agent") for such optional redemption, said funds being provided from the proceeds of the Issuer's General Obligation Water and Sewer Refunding Bonds, Series 2016, to be dated the date of delivery thereof, to be issued in the principal amount of _____ Dollars (\$ _____) (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 2006 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 E

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2007 BANK BONDS

D-2

EXHIBIT "B"

_____, 2016

**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 2018 through 2027, 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 2018 through 2027, both inclusive (the "Refunded 2007 Bank Bonds") and the redemption of the 2007 Bank Bonds maturing on July 1 in the years 2018 through 2027, 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 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 Regions Bank, Birmingham, Alabama (the "2007 Escrow Agent") for such optional redemption, said funds being provided from the proceeds of the Issuer's General Obligation Water and Sewer Refunding Bonds, Series 2016, to be dated the date of delivery thereof, to be issued in the principal amount of _____ Dollars (\$ _____) (the "Bonds").

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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 2007 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

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ESCROW DEPOSIT TRUST AGREEMENT

BY AND AMONG

MISSISSIPPI DEVELOPMENT BANK,

CITY OF PETAL, MISSISSIPPI

AND

**WHITNEY BANK D/B/A HANCOCK BANK
JACKSON, MISSISSIPPI
AS ESCROW AGENT**

DATED AS OF _____, 2016

FOR:

**\$8,500,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2006
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: FEBRUARY 1, 2006**

**EXHIBIT F
FORM OF 2006 ESCROW AGREEMENT AND 2007 ESCROW AGREEMENT**

EXHIBIT "B"

This **ESCROW DEPOSIT TRUST AGREEMENT** (the "Agreement") is made and entered into as of _____, 2016, 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 **WHITNEY BANK D/B/A HANCOCK BANK, JACKSON, MISSISSIPPI**, 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 Whitney Bank d/b/a Hancock Bank, Jackson, 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 2017 through 2022, both inclusive (the "Refunded 2006 Bank Bonds") and the optional redemption of the Refunded 2006 Bank Bonds maturing on July 1 in the years 2017 through 2022, 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 SLGS 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, trust, the City has authorized and delivered its \$_____,000 General Obligation Water and Sewer Refunding Bonds, Series 2016, dated _____, 2016 (the "Series 2016 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"), and (ii) paying the costs of issuance of the Series 2016 Bonds; and

WHEREAS, a portion of the proceeds derived from the Series 2016 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 2016 Bonds from a certain portion of the proceeds thereof in the amount of \$_____ (the "2016 Costs of Issuance Funds") deposited in the 2016 Costs of Issuance Fund (the "2016 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 to any funds deposited herewith derived from a portion of the proceeds of the Series 2016 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 2016 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.

ARTICLE I

DEFINITIONS

SECTION 1.01 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 _____, 2016, 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 November 17, 2015, pursuant to which the Series 2016 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 Whitney Bank d/b/a Hancock Bank, Gulfport, Mississippi, securing the 2006 Bank Bonds.

"2006 Trustee" and "2006 Paying Agent" shall mean Whitney Bank d/b/a 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.

ARTICLE II

ESTABLISHMENT OF FUNDS; FLOW OF FUNDS

SECTION 2.01 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 2016 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 Escrow Agent. The 2006 Escrow Deposit Trust Fund and the 2016 Costs of Issuance Fund shall be administered pursuant to this Agreement.

Concurrently with the delivery of the Series 2016 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 2016 Costs of Issuance Funds from the proceeds of the Series 2016 Bonds is to be deposited into the 2016 Costs of Issuance Fund. As set forth in the verification report (the "Verification Report") of The Arbitrage Group, Inc. (the "Verification Agent"), delivered on _____, 2016, 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, 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 2016 Costs of Issuance Funds shall be used to pay costs of issuance for the Series 2016 Bonds.

SECTION 2.02 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 2.03 PURCHASE OF ESCROWED SECURITIES. The Escrow Agent is hereby directed to purchase immediately the 2006 Escrowed Securities listed on SCHEDULE 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

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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 2.04 SUBSTITUTION OF OBLIGATIONS. Notwithstanding any provision of this Agreement, at the Written Request of the City, with the approval of the and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have 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 2016 Debt Service Fund for the Series 2016 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 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.

SECTION 2.05 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

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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.

The Escrow Agent agrees to provide to the City prior to the last day of September, 2016 and the end of each annual period thereafter a statement of the amount on deposit in each Fund and Account established by this agreement at the beginning of the period and of the total deposits to and withdrawals from each Fund and Account during the preceding applicable period. A different statement frequency can be established at the request of the City.

SECTION 2.06 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 2016 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 2.07 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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SECTION 2.08 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 2016 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 2.09 DEFEASANCE 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 2017 through 2022, both inclusive, will be redeemed on July 1, 2016 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 July 1, 2016; 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 2.10 APPLICATION OF 2016 COSTS OF ISSUANCE FUNDS. Proceeds of the Series 2016 Bonds in the amount of \$_____ representing the 2016 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 2016 Bonds. Any portion of the 2016 Costs of Issuance Funds remitted to the Escrow Agent for the payment of the costs of issuance for the Series 2016 Bonds and not used to pay costs of issuance within thirty (30) days of the closing of the Series 2016 Bonds shall be transferred to the City for deposit in the 2016 Debt Service Fund and used as permitted under State law. The 2016 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 2016 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 November 17, 2015.

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EXHIBIT "B"

MINUTE BOOK 35
CITY OF PETAL

EXHIBIT "B"

ARTICLE III

CONCERNING THE ESCROW AGENT

SECTION 3.01 APPOINTMENT OF THE ESCROW AGENT. The City hereby appoints Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as the Escrow Agent under this Agreement.

SECTION 3.02 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 3.03 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 3.04 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 2016 Bonds as fully and with the same rights as if it were not the Escrow Agent.

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

SECTION 3.08 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 3.09 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 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 3.10 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

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SECTION 3.05 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 3.06 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 here 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 3.07 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 eligible

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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.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01 AMENDMENTS TO THIS AGREEMENT. This Agreement is made for the benefit of the City, the Bank, and the holders from time to time of the Refunded 2006 Bank Bonds and it shall not be repealed, revoked, altered or amended without the written consent of the holders of 100% of the Refunded 2006 Bank Bonds which have not then been paid in accordance with this Agreement. Notwithstanding the foregoing, however, the City and the Bank may, and the City and the Bank shall (upon receipt of an opinion of nationally recognized bond counsel satisfactory to the City and the Bank that the tax-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 4.02 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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EXHIBIT "B"

SECTION 4.03 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 4.04 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 4.05 GOVERNING LAW. This Agreement shall be governed by the applicable law of the State of Mississippi.

SECTION 4.06 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 ____, 2016, by and among the Mississippi Development Bank, City of Petal, Mississippi and Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as Escrow Agent.

WHITNEY BANK D/B/A HANCOCK BANK,
as Escrow Agent

BY: _____
Brittany L. Skok, Trust Officer

SCHEDULE A
ESCROW DEPOSIT TRUST FUND INVESTMENTS

Signature Page to Escrow Deposit Trust Agreement dated as of ____, 2016, by and among the Mississippi Development Bank, City of Petal, Mississippi and Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as Escrow Agent.

EXHIBIT "B"

SCHEDULE B

DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2006 BANK BONDS

SCHEDULE C

NOTICE OF DEFEASANCE

NOTICE OF DEFEASANCE

\$8,500,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2006
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: FEBRUARY 1, 2006

Maturing July 1, 2017 through and including July 1, 2022

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 Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, 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, 2016. All of the Refunded 2006 Bank Bonds maturing on or after July 1, 2017, 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 _____, 2016.

WHITNEY BANK D/B/A HANCOCK BANK

By: _____
Susan R. Tsimortos, as Escrow Agent

ESCROW DEPOSIT TRUST AGREEMENT

BY AND AMONG

MISSISSIPPI DEVELOPMENT BANK,

CITY OF PETAL, MISSISSIPPI

AND

REGIONS BANK
BIRMINGHAM, ALABAMA,
AS ESCROW AGENT

DATED AS OF _____, 2016

FOR:

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

EXHIBIT "B"

This **ESCROW DEPOSIT TRUST AGREEMENT** (the "Agreement") is made and entered into as of _____, 2016, 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 **REGIONS BANK, BIRMINGHAM, ALABAMA**, as escrow agent hereunder (in such capacity, the "Escrow Agent");

WITNESSETH:

WHEREAS, the City has heretofore issued its \$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 its \$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 \$_____,000 (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, 20__ through and including July 1, ____ (the "Refunded 2007 Bank Bonds") and the optional redemption of the Refunded 2007 Bank Bonds maturing on July 1, 20__ through and including July 1, ____ (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

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 2007 Escrowed 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 \$_____,000 General Obligation Water and Sewer Refunding Bonds, Series 2016, dated _____, 2016 (the "Series 2016 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 2016 Bonds, including a premium for bond insurance, if applicable; and

WHEREAS, a portion of the proceeds derived from the Series 2016 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, 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 to any funds deposited herewith derived from a portion of the proceeds of the Series 2016 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.

ARTICLE I

DEFINITIONS

SECTION 1.01 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 _____, 2016, 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 November 17, 2015, pursuant to which the Series 2016 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.

"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 Regions Bank, Birmingham, Alabama, securing the 2007 Bank Bonds.

"2007 Trustee" and "2007 Paying Agent" shall mean Regions Bank, Birmingham, Alabama, 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.

ARTICLE II

ESTABLISHMENT OF FUNDS: FLOW OF FUNDS

SECTION 2.01 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 2016 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

EXHIBIT "B"

§ _____ (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 (the "Verification Report") of The Arbitrage Group, Inc. (the "Verification Agent"), delivered on _____, 2016, 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, 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 2.02 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 2.03 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 2.04 SUBSTITUTION OF OBLIGATIONS. Notwithstanding any other provision of this Agreement, at the Written Request of the City, with the written 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 2007 Escrowed Securities held hereunder and to substitute therefor 2007 Escrowed Securities, provided,

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SECTION 2.06 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 in writing 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 2016 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 2.07 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 2.08 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 2016 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 2.09 DEFEASANCE 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 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, 2032, will be redeemed on July 1,

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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 "v" 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 2016 Debt Service Fund for the Series 2016 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 2.05 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 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.

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2017 at a redemption price of par, and (ii) 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 July 1, 2017; and (b) to cause to be prepared and 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.

ARTICLE III

CONCERNING THE ESCROW AGENT

SECTION 3.01 APPOINTMENT OF THE ESCROW AGENT. The City hereby appoints Regions Bank, Birmingham, Alabama, as the Escrow Agent under this Agreement.

SECTION 3.02 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 3.03 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 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

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EXHIBIT "B"

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 3.04 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 2016 Bonds as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05 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 3.06 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.

SECTION 3.07 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 3.08 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 3.09 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 3.10 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.

ARTICLE IV

MISCELLANEOUS

SECTION 4.01 AMENDMENTS TO THIS AGREEMENT. This Agreement is made for the benefit of the City, the Bank, and the holders from time to time of the Refunded 2007 Bank Bonds and it shall not be repealed, revoked, altered or amended without the written consent of the holders of 100% of the Refunded 2007 Bank Bonds which have not then been paid in accordance with this Agreement. Notwithstanding the foregoing, however, the City and the Bank may, and the City and the Bank shall (upon receipt of an opinion of nationally recognized bond counsel satisfactory to the City and the Bank that the tax-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
- (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 4.02 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 4.03 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 4.04 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 4.05 GOVERNING LAW. This Agreement shall be governed by the applicable law of the State of Mississippi.

SECTION 4.06 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]

EXHIBIT "B"

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

REGIONS BANK
BIRMINGHAM, ALABAMA.
as Escrow Agent

[SEAL] MISSISSIPPI DEVELOPMENT BANK

BY: _____
Patti Maner, Vice President

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 _____, 2016, by and among the Mississippi Development Bank, City of Petal, Mississippi and Regions Bank, Birmingham, Alabama, as Escrow Agent.

Signature Page to Escrow Deposit Trust Agreement dated as of _____, 2016, by and among the Mississippi Development Bank, City of Petal, Mississippi and Regions Bank, Birmingham, Alabama, as Escrow Agent.

S-1

S-2

SCHEDULE A
ESCROW DEPOSIT TRUST FUND INVESTMENTS

SCHEDULE B
DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2007 BANK BONDS

EXHIBIT "B"

NOTICE OF DEFEASANCE

\$8,500,000
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2007
(PETAL, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM PROJECT)
DATED: DECEMBER 13, 2007

Maturing July 1, 2018 through and including July 1, 2027

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 Regions Bank, Birmingham, Alabama, 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, 2017. All of the Refunded 2007 Bank Bonds maturing on July 1, 2018 through and including 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 _____, 2016.

REGIONS BANK

By: _____
Patti Maner, as Escrow Agent

SCHEDULE C
NOTICE OF DEFEASANCE

EXHIBIT "C"

STATE OF MISSISSIPPI

Office of the Governor



PROCLAMATION

WHEREAS, pursuant to Miss. Code Ann. Section 3-3-7, Thanksgiving Day, Christmas Day and New Year's Day are declared legal holidays in the State of Mississippi; and

WHEREAS, during the Thanksgiving holiday and Christmas and New Year's season, many state employees will spend time with their families in Mississippi and in other states:

NOW, THEREFORE, I, Phil Bryant, Governor of the State of Mississippi, pursuant to the authority vested in me under the Constitution of the State of Mississippi and applicable statutes of the State of Mississippi, do hereby authorize the closing of all offices of the State of Mississippi on Thursday, November 26, 2015, in observance of THANKSGIVING DAY; on Friday, December 25, 2015, in observance of CHRISTMAS DAY; and on Friday, January 1, 2016, in observance of NEW YEAR'S DAY.

IN ADDITION, I hereby authorize the executive officers of all state agencies, in their discretion after considering the interests of the people of the State of Mississippi and the staffing needs of their respective agencies, to close all offices of the State of Mississippi on Friday, November 27, 2015, in further observance of the Thanksgiving holiday, on Thursday, December 24, 2015, in further observance of Christmas and on Thursday, December 31, 2015, in further observance of New Year's Day; and to staff their respective agencies as needed during the Thanksgiving holiday and Christmas and New Year's season.

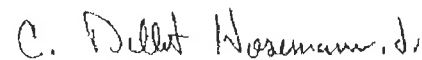
IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Mississippi to be affixed.

DONE in the City of Jackson, on the 5th day of November in the year of our Lord, two thousand and fifteen, and of the Independence of the United States of America, the two hundred and fortieth.



**PHIL BRYANT
GOVERNOR**

BY THE GOVERNOR


**C. DELBERT HOSEMANN, JR.
SECRETARY OF STATE**