

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON AUGUST 4, 1992 AT 5:30 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT	MAYOR JACK GAY, JR.
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	REUBEN CLEPPER JERRY CROWE BOBBY RUNNELS LEROY SCOTT
OTHERS PRESENT	DEMERY GRUBBS

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

THE NOTICE OF SPECIAL MEETING WITH HIS RETURN WAS PRESENTED FOR FILING BY CHIEF WAYNE MURPHY. THE NOTICE READ AS FOLLOWS TO-WIT:

NOTICE OF SPECIAL MEETING

Please be advised that a special meeting of the Mayor and Board of Aldermen of the City of Petal, Mississippi, will be held Tuesday, August 4, 1992, at 5:30 P.M., in the Board Room of said City for the purpose of:

- 1) Refunding \$2.5 General Obligation Bonds

s/ Reuben Clepper

s/ Jack Gay

Jack Gay, Mayor

Reuben Clepper

s/ Jerry Crowe

Jerry Crowe

Donald H. Rowell

s/ Bobby Runnels

Bobby Runnels

s/ Leroy Scott

Leroy Scott

CHIEF OF POLICE RETURN

I, Billy Wayne Murphy, Chief of Police of the City of Petal, Mississippi, do hereby certify that more than three hours prior to the time set for said special meeting, I did personally serve upon the foregoing Aldermen, a true and correct copy of this Notice of Special Meeting.

s/ Billy Wayne Murphy, Jr.

Billy Wayne Murphy, Chief of Police

WHEREAS, DEMERY CRUBBS, OF HOLLEY, CRUBBS, MITCHAM AND PHILLIPS, FINANCIAL CONSULTANTS FOR THE CITY, PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992 AND APPROVING THE FORM AND EXECUTION OF AN ESCROW AGREEMENT.

SEE EXHIBIT "A"

RESOLUTION

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI; AND APPROVING THE FORM AND EXECUTION OF AN ESCROW AGREEMENT.

ALDERMAN RUNNELS MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION ALDERMAN CROWE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

- ALDERMAN REUBEN CLEPPER
- ALDERMAN JERRY CROWE
- ALDERMAN BOBBY RUNNELS
- ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MR CRUBBS PRESENTED THE FOLLOWING RESOLUTION DIRECTING THE SALE AND AWARD OF THE GENERAL OBLIGATION SEWER REFUNDING BONDS IN THE AMOUNT OF \$1,370,000. AND AWARDING AND SELLING THE BONDS TO DUNCAN-WILLIAMS, INC. OF MEMPHIS, TENNESSEE.

SEE EXHIBIT "B"

RESOLUTION

RESOLUTION DIRECTING THE SALE AND AWARD OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI, DATED SEPTEMBER 1, 1992, IN THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000); AND A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000) GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN CROWE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

- ALDERMAN REUBEN CLEPPER
- ALDERMAN JERRY CROWE
- ALDERMAN BOBBY RUNNELS
- ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MR GRUBBS PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES, 1992, IN THE AMOUNT OF \$1,370,000.

SEE EXHIBIT "C"

RESOLUTION

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND \$1,190,000 OF THE OUTSTANDING \$1,845,000. OF THE CITY'S \$2,500,000 CITY OF PETAL, MISSISSIPPI GENERAL OBLIGATION SEWER BONDS, SERIES 1985, DATED NOVEMBER 1, 1985 (THE "SERIES 1985 BONDS" OR THE "REFUNDED BONDS") AND TO GENERATE NET PRESENT VALUE SAVINGS TO MATURITY OF NOT LESS THAN TWO PERCENT (2%) OF THE REFUNDED BONDS; AND PROVIDING FOR THE PLEDGE OF THE AVAILS OF A LEVY OF TAXES FOR THE PAYMENT THEREOF; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE BONDS; AND FOR RELATED PURPOSES.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN REUBEN CLEPPER  
ALDERMAN JERRY CROWE  
ALDERMAN BOBBY RUNNELS  
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MR. GRUBBS PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING THE MAYOR TO PROVIDE WRITTEN NOTIFICATION TO THE PEOPLES BANK, BILOXI, MISSISSIPPI, PAYING AGENT FOR THE \$2,500,000 ISSUE OF THE ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING SERIES 1985 BONDS.

SEE EXHIBIT "D"

RESOLUTION

RESOLUTION AUTHORIZING THE MAYOR OR CLERK OF THE BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY") TO PROVIDE A WRITTEN NOTIFICATION TO THE PEOPLES BANK (FORMERLY THE PEOPLES BANK OF BILOXI), BILOXI, MISSISSIPPI, PAYING AGENT FOR THE \$2,500,000 CITY OF PETAL, MISSISSIPPI, GENERAL OBLIGATION SEWER BONDS, SERIES 1985 DATED NOVEMBER 1, 1985 (THE "SERIES 1985 BONDS"), OF THE ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING SERIES 1985 BONDS WITH THE FUNDS TO BE PROVIDED BY THE ISSUANCE OF THE CITY'S ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000) GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN CLEPPER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

- ALDERMAN REUBEN CLEPPER
- ALDERMAN JERRY CROWE
- ALDERMAN BOBBY RUNNELS
- ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADJOURN. ALDERMAN RUNNELS SECONDED THE MOTION.

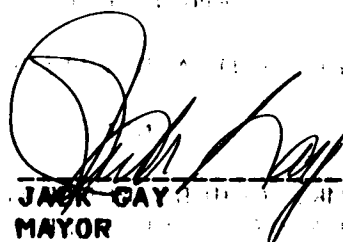
THOSE PRESENT AND VOTING "AYE":

- ALDERMAN REUBEN CLEPPER
- ALDERMAN JERRY CROWE
- ALDERMAN BOBBY RUNNELS
- ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

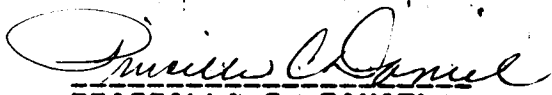
THEREBEING NO FURTHER BUSINESS, THE SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON THIS THE 4TH DAY OF AUGUST, A.D., 1992.



\_\_\_\_\_  
**JACK GAY**  
 MAYOR

(SEAL)

ATTEST:



\_\_\_\_\_  
**PRISCILLA C. DANIEL**  
 CITY CLERK

EXHIBIT "A"

RESOLUTION

The Mayor and Board of Aldermen of the City of Petal, Mississippi (the "City"), acting for and on behalf of the City, took up for further consideration the matter of the issuance of General Obligation Sewer Refunding Bonds, Series 1992, of the City of Petal, Mississippi. After discussion of the subject, Alderman Runnels offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI; AND APPROVING THE FORM AND EXECUTION OF AN ESCROW AGREEMENT.

WHEREAS, the Mayor and Board of Aldermen (the "Board") of the City of Petal, Mississippi (the "City"), acting for and on behalf of the City, in connection with the sale of General Obligation Sewer Refunding Bonds, Series 1992 (the "Bonds"), of the City of Petal, Mississippi, dated September 1, 1992, which are being issued for the purpose of advance refunding the callable portion of the City of Petal's General Obligation Sewer Bonds, Series 1985, dated November 1, 1985 (the "Refunded Bonds");

WHEREAS, it is necessary to approve the Preliminary Official Statement for the Bonds and the distribution thereof to prospective purchasers of the Bonds; and

WHEREAS, it is necessary to approve the form of and execution of an escrow agreement (the "Escrow Agreement") with regard to the Refunded Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City, acting for and on behalf of the City of Petal, Mississippi, as follows:

Section 1. That the Mayor and Board of Aldermen of the City of Petal, Mississippi, hereby approve and adopt the Preliminary Official Statement for the sale of the Bonds in the form attached hereto, and hereby authorize the Mayor and Board of Aldermen to sign a Preliminary Official Statement in substantially the same form for and on behalf of said Board.

Section 2. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

Section 3. That the Board hereby approves the form of the Escrow Agreement attached hereto for and on behalf of said Board and authorizes the execution by the Mayor and Board of Aldermen of an Escrow Agreement in substantially the same form for and on behalf of said Board.

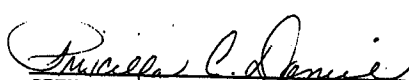
Alderman Crowe seconded the motion to adopt the foregoing resolution and, the question being put to a roll call vote, the result was as follows:

Alderman Donald H. Rowell	voted: <u>absent</u>
Alderman Jerry Crowe	voted: <u>YEA</u>
Alderman Bobby Runnels	voted: <u>YEA</u>
Alderman Leroy Scott	voted: <u>YEA</u>
Alderman Reuben Clepper	voted: <u>YEA</u>

The motion having received the affirmative vote of a majority of the members present, the Chairman of the Board declared the motion carried and the resolution adopted, on this the 4th day of August, 1992.

  
MAYOR

ATTEST:

  
CITY CLERK

(SEAL)

EXHIBIT "B"

The Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi (the "City"), took up for consideration the matter of sale and issuance of General Obligation Sewer Refunding Bonds, Series 1992, of the City in the principal amount of One Million Three Hundred Seventy Thousand Dollars (\$1,370,000) (the "Bonds") to raise money for the purpose of providing funds to refund \$1,190,000 of the outstanding \$1,845,000 of the City's \$2,500,000 City of Petal, Mississippi General Obligation Sewer Bonds, Series 1985, dated November 1, 1985.

The Mayor and Board of Aldermen proceeded to consider the proposal presented by Duncan-Williams, Inc., Memphis, Tennessee, for the sale of the Bonds. Whereupon, the following resolution was presented, read and its adoption and passage moved by Alderman Scott:

RESOLUTION DIRECTING THE SALE AND AWARD OF GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI, DATED SEPTEMBER 1, 1992, IN THE PRINCIPAL AMOUNT OF ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000); AND A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF, EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000) GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI.

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

1. The Mayor and Board of Aldermen did meet at its meeting place in the City Hall in the City of Petal, Mississippi, at 5:30 o'clock P.M. on August 4, 1992.
2. At said time and place a proposal from Duncan-Williams, Inc., Memphis, Tennessee, for the purchase of the Bonds was received, examined and considered by the Board.
3. The Board does now find, determine and adjudicate that the proposal made and offered for the Bonds by Duncan-Williams, Inc., Memphis, Tennessee, is in the best interest of the City and said proposal was accompanied by a cashier's check, certified check or exchange payable to the City of Petal, Mississippi, in the amount of Twenty Seven Thousand Four Hundred Dollars (\$27,400), issued or certified by a bank located in the State of Mississippi, as a guarantee that said proposer would carry out its contract and purchase the Bonds if its proposal be accepted.
4. The Board finds it necessary to approve the form of, execution and distribution of an Official Statement for the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. The Bonds are hereby awarded and sold to Duncan-Williams, Inc., Memphis, Tennessee, in accordance with the offer submitted to the Board in words and figures as follows:

SECTION 2. The good faith check filed by Duncan-Williams, Inc., Memphis, Tennessee, shall be retained by the Board as a guarantee that said proposer shall carry out its contract and purchase the Bonds. If Duncan-Williams, Inc., Memphis, Tennessee, fails to purchase the Bonds pursuant to its proposal and contract, the amount of such good faith check shall be retained by the City as liquidated damages for such failure.

SECTION 3. The Bonds shall be in fully registered form; shall be dated September 1, 1992; shall be of the denomination of \$5,000 each or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in order of issuance; shall be payable, both as to principal and interest, in lawful money of the United States of America at the principal office of Stateville Security Bank, Mississippi, the Paying Agent, Registrar and Transfer Agent for said Bonds; shall bear interest from the date thereof at the rate or rates hereinafter set forth, payable semiannually on November 1 and May 1 in each year, commencing November 1, 1992; and shall mature and become due and payable serially, without option of prior payment, on November 1 in the years and principal amounts as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
1992	\$ 5,000	_____ %
1993	25,000	_____
1994	25,000	_____
1995	25,000	_____
1996	230,000	_____
1997	250,000	_____
1998	255,000	_____
1999	270,000	_____
2000	285,000	_____

SECTION 4. The refunding of the General Obligation Sewer Bonds, Series 1985, dated November 1, 1985, of the City, with the proceeds of the Bonds will result in an overall net present value savings to maturity of not less than two (2%) percent as evidenced by the certificate of Holley, Grubbs, Mitchem & Phillips, Jackson, Mississippi, attached hereto as Exhibit A.

SECTION 5. The Mayor and Board of Aldermen of the City of Petal, Mississippi, hereby approve and adopt the Official Statement in the form attached hereto, and hereby authorize the Mayor and Clerk to execute and distribute an Official Statement, in substantially the same form, for and on behalf of said Board.

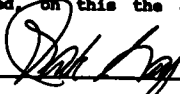
SECTION 6. All orders, resolutions or proceedings of this Board in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 7. For cause, this resolution shall become effective immediately upon the adoption thereof.

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

Alderman Donald H. Rowell	voted: absent
Alderman Jerry Crowe	voted: YEA
Alderman Bobby Runnels	voted: YEA
Alderman Leroy Scott	voted: YEA
Alderman Reuben Clepper	voted: YEA

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 4th day of August, 1992.

  
MAYOR

ATTEST:

100 1100

EXHIBIT "C"

WHEREAS, THE CITY OF PETAL HAS AUTHORITY FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND \$1,190,000 OF THE OUTSTANDING \$1,845,000 OF THE CITY'S \$2,500,000 CITY OF PETAL, MISSISSIPPI, GENERAL OBLIGATION SEWER BONDS, SERIES 1985, DATED NOVEMBER 1, 1985 (THE "SERIES 1985 BONDS" OR THE "REFUNDED BONDS") AND TO GENERATE NET PRESENT VALUE SAVINGS TO MATURITY OF NOT LESS THAN TWO PERCENT (2%) OF THE REFUNDED BONDS; AND PROVIDING FOR THE PLEDGE OF THE AVAILS OF A LEVY OF TAXES FOR THE PAYMENT THEREOF; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE BONDS; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of said City, 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 through 31-27-25, Mississippi Code of 1972, as amended.

"Bond" or "Bonds" shall mean the General Obligation Sewer Refunding Bonds, Series 1992, of the City authorized and directed to be issued in this resolution.

"Bond Counsel" shall mean Crothwait, Terney, Noble & Allain, Jackson, Mississippi.

"Bond Fund" shall mean the fund of the City provided for in Section 12 hereof.

"Bond Resolution" shall mean this resolution.

"Bond Year" shall mean the period from September 1, 1992 to November 1, 1992 and thereafter each twelve month period ending on a November 1, beginning with the period ending November 1, 1992.

"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.

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

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

"1992 Refunding Fund" shall mean the 1992 Refunding Fund provided for in Section 13 hereof.

"Paying 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 Bonds.

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

"Project" shall mean providing funds to refund \$1,190,000 of the outstanding \$1,845,000 of the City's \$2,500,000 City of Petal, Mississippi, General Obligation Sewer Bonds, Series 1985, dated November 1, 1985.

"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 of the maturity date thereof.

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

"Refunded Bonds" shall mean the portion of the outstanding Series 1985 Bonds maturity in the years 1994 through 2000, both inclusive.

"Refunding" shall mean paying the principal amount of the Refunded Bonds, including a premium, if applicable, interest accrued or to accrue to the date of redemption of the Refunded Bonds, and the related costs of the issuance, sale and delivery of the Bonds and of the Refunding of the Refunded Bonds.

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

"Series 1985 Bonds" shall mean the \$2,500,000 City of Petal, Mississippi, General Obligation Sewer Bonds, Series 1985, dated November 1, 1985.

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

(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.

1. The City is authorized under the provisions of the Act to issue its General Obligation Sewer Refunding Bonds, Series 1992, to refund a portion of the Series 1985 Bonds. It is advisable and in the public interest to issue the Bonds for the purpose stated herein.

2. The estimated cost of refunding a portion of the Series 1985 Bonds and paying the costs of issuance of the Bonds herein directed to be issued is One Million Three Hundred Seventy Thousand Dollars (\$1,370,000).

3. The refunding of a portion of the Series 1985 Bonds with the proceeds of the Bonds shall result in an overall net present value savings to maturity of an amount in excess of 2 percent (2%) of the Series 1985 Bonds so refunded.

4. The assessed value of taxable property within the City, according to the last completed assessment for taxation, is Twenty One Million Five Hundred Ninety Four Thousand Seven Hundred Eleven Dollars (\$21,594,711); the City has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-31-303, Mississippi Code of 1972, as amended, in the amount of 0-Dollars (0-0), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-31-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit) in the amount of Two Million Four Hundred Sixty Thousand Dollars (\$2,460,000); the issuance of the Bonds, when added to the outstanding bonds indebtedness, less any bonds being refunded with the Bonds, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the City, and will not result in indebtedness, to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the City, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

5. The Bonds are not private activity bonds as such term is defined in Section 141 of the Internal Revenue Code of 1986 (the "Code") and the Governing Body does not reasonably anticipate that the City or any other subordinate entities thereof will issue more than \$10,000,000 of qualified tax-exempt obligations (other than private activity bonds) in this calendar year. It is necessary to designate the Bonds as qualified tax-exempt obligations within the meaning of Section 145(b)(7) of the Code.

6. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the City. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the City with certain requirements of the Code.

7. No obligation which is a part of the issue of the Bonds is a private activity bond; 95 percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City, and the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City, and all subordinate entities of the City, during this calendar year is not reasonably expected to exceed \$5,000,000.

8. It has now become necessary to make provision for the preparation, execution and issuance of the 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 the Registered Owners thereof, 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 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. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of One Million Three Hundred Seventy Thousand Dollars (\$1,370,000) to raise money for the Project as authorized by the Act.

SECTION 3. (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

C

EXHIBIT "C"

and the principal amounts as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT
1992	\$ 5,000
1993	25,000
1994	25,000
1995	25,000
1996	250,000
1997	250,000
1998	250,000
1999	270,000
2000	285,000

SECTION 4. (a) When the Bonds shall have been validated and executed as herein provided, 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 facsimile signature and facsimile seal, his certificate in substantially the form set out in Section 4.

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

(c) The Bonds shall be delivered to the Purchaser 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, which opinion shall be imprinted on the reverse of each of the Bonds.

(d) Prior to or simultaneously with the delivery by the Paying Agent of the Bonds, the City shall file with the Paying 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 Paying Agent, signed by the Mayor, to authenticate and deliver the Bonds to the Purchaser.

(e) The Paying Agent shall authenticate the Bonds and deliver them to the Purchaser 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 CNRP number and sufficient in quantity in the judgment of the City to meet the reasonable transfer and reissuance needs of the Bonds, may be printed and delivered to the Paying Agent in generally-accepted format, and held by the Paying Agent until needed for transfer or reissuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CNRP number prior to the registration, authentication and delivery thereof to the transferee holder.

SECTION 5. (a) A Paying Agent for the Bonds, which shall serve as paying agent, registrar and transfer agent, shall be designated by further order of the Governing Body, after receiving and reviewing the recommendation of the Purchaser of the Bonds.

(b) So long as any of the Bonds shall remain outstanding, the City shall maintain with the Paying Agent records for the registration and transfer of the Bonds. The Paying Agent is hereby appointed registrar for the Bonds, in which capacity the Paying 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 Paying 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 approval by the City and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, shall be made by the City on a cost-by-cost basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

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

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

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

(iv) Any successor Paying 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 by commission by and in good standing with the Federal and/or state regulatory authorities under the jurisdiction of which it falls.

(v) Every successor Paying Agent appointed hereunder shall account, acknowledge and deliver to its predecessor Paying Agent and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying 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 Paying Agent from the City to more fully and certainly vest in such successor Paying Agent the aforesaid rights, powers and duties hereby vested or intended to be vested in the predecessor Paying 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 Paying 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 a Paying Agent or successor Paying 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 a Paying 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 Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the cessation or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the City and eligible under the provisions of Section 5(d)(iv) hereof.

SECTION 6. The Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

EXHIBIT "C"

STATE OF MISSISSIPPI  
 PETAL, MISSISSIPPI  
 GENERAL OBLIGATION SEWER REFUNDING BOND  
 SERIES 1992

NO. \_\_\_\_\_  
 Rate of Interest \_\_\_\_\_ Maturity \_\_\_\_\_ Date of Original Issue September 1, 1992 CURIF \_\_\_\_\_

Registered Owner: \_\_\_\_\_  
 Principal Amount: \_\_\_\_\_ DOLLARS

The City of Petal, 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 identified above, upon the presentation and surrender of this Bond, at the principal office of \_\_\_\_\_, or its successor, as paying agent (the "Paying Agent") for the General Obligation Sewer Refunding Bonds, Series 1992, 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 Paying Agent, which will also serve as registrar and transfer agent, for the Bonds, 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 November 1, 1992 and semiannually on November 1 and May 1 of each year, until said principal sum is paid, to the Registered Owner hereof whose name shall appear in the registration records of the City maintained by the Paying Agent as of the 15th day of the calendar month preceding the applicable interest payment date.

Payments of principal or of interest on this Bond shall be made by check or draft mailed 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 Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of One Million Three Hundred Seventy Thousand Dollars (\$1,370,000) to raise money for the purpose of providing funds to refund \$1,190,000 of the outstanding \$1,845,000 of the City's \$2,500,000 City of Petal, Mississippi General Obligation Sewer Bonds, Series 1985, dated November 1, 1985.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 through 31-27-25, 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 a resolution adopted August 4, 1992 (the "Bond Resolution").

The Bonds are registered as to both principal and interest, and are to be issued or raised in 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 Paying 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 rate or amount upon all the taxable property within the geographical limits of the City. 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.

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 Paying 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 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 facsimile seal of the City, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the 1st day of September, 1992.

THE CITY OF PETAL, MISSISSIPPI

By: \_\_\_\_\_  
 Mayor

COUNTERSIGNED:

\_\_\_\_\_  
 City Clerk  
 (facsimile seal)

There shall be printed in the lower left portion on 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 Sewer Refunding Bonds, Series 1992, of the City of Petal, Mississippi.

\_\_\_\_\_  
 as Paying 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

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 \_\_\_\_\_, 1992.

\_\_\_\_\_  
 City Clerk (facsimile seal)  
 (facsimile seal)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_  
 (Name and Address of Assignee)

EXHIBIT "C"

The within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as Paying Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.  
signature guaranteed:

(Bank, Trust Company or Paying Agent)

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, without any alteration whatsoever.

(Authorized Officer)

Date of Assignment:

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

SECTION 7. In case any Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then provided by law, cause to be authenticated and deliver a new Bond of like date, number, maturity and tenor in exchange and substitution for such Bond as so mutilated, destroyed or lost, upon the Registered Owner's paying the reasonable expenses in full of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 8. 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 allowances shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce the sum required for the payment of the principal of and the interest on the Bonds. 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 sum required as aforesaid, without limitation as to 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, the failure shall not impair the right of the Registered Owner 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 9. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Registered Owner, 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 Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Paying Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 10. (a) One Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and the receipt of the Purchaser within a reasonable time of the initial delivery of the Bonds. The Paying Agent shall re-register any such Bond upon its receipt in the name of the Registered Owner to be designated by the Purchaser 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 Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or an 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 hereinabove provided. All payments shall be made to the order of the Registered Owner.

SECTION 11. (a) Each Bond shall be transferable only in the records of the City, upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the City, acting through its Paying 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 Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

SECTION 12. (a) The City shall maintain with a qualified depository thereof a fund in its name for the payment of the principal of and interest on the Bonds, and the payment of Paying Agent's fees in connection therewith designated the "Bond Fund". There shall be deposited into the Bond Fund as and when received:

- (i) The accrued interest and premium, if any, received upon delivery of the Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 8 hereof;
- (iii) Any income received from investment of monies in the 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 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 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 13. The principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the City in a special fund, hereby created, in the name of the City designated the "1992 Refunding Fund". From the 1992 Refunding Fund there shall be first paid the costs, fees and expenses incurred by the City in connection with the authentication, issuance, sale, validation and delivery of the Bonds. The balance thereof shall be disbursed for the Project, as authorized by the Act. A portion of the Refunding proceeds of the Bonds for the Project shall be transferred to the Borrower Fund, as defined in the Borrower Agreement between the City and the Borrower, for the Refunded Bonds, for the purpose of redeeming the Refunded Bonds at the Redemption Price all as set forth in the issuing resolution for the Refunded Bonds.

SECTION 14. (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 Data Registered Owner thereof, whose name shall appear in the registration records of the City maintained by the Paying Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Data Registered Owner thereof.



EXHIBIT "C"

meaning of Section 141 of the Code), directly or indirectly, will be used in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically including the United States of America or any agency or instrumentality thereof).

(4) None of the bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such bond proceeds.

(5) The amount of bond proceeds used with respect to any private business use which is related to a governmental use of such bond proceeds will not exceed the amount of bond proceeds which are to be used for the governmental use to which such private business use relates.

(6) None of the proceeds of the bonds will be used to make or finance loans for persons other than governmental units.

(7) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the bonds be (under the terms of the bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the City) in respect of property or borrowed money used or to be used for a private business use.

(8) The City covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the City, which (1) were or are to be sold at substantially the same time as the bonds, (2) were or are to be sold at substantially the same interest rate as the interest rate of the bonds, (3) were or are to be sold pursuant to a common plan of marketing or the marketing plan for the bonds, and (4) are payable directly or indirectly by the City or from the source from which the bonds are payable. The City covenants and certifies that there are no additional facts or circumstances which any further evidence that the bonds are part of any other issue of obligations.

(9) The City covenants and certifies that no payment of principal of or interest on the bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The City represents, warrants and covenants that none of the bond proceeds will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States; or (b) invested (directly or indirectly) in any deposit or account which is insured under Federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation (other than: (1) the investment of the bond proceeds for an initial temporary period (within the meaning of paragraph 2(b) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the bonds are being issued; (2) investments of a loan fund debt service fund (within the meaning of Subparagraph 2(b) of Subsection 149(b) of the Code); (3) investments of a reserve which meets the requirements of Subsection 149(d) of the Code; (4) investments in bonds issued by the United States Treasury; (5) or other investments permitted under regulations promulgated by the Federal Reserve Service pursuant to Subsection 149(b) of the Code.

(10) The City covenants and certifies that, notwithstanding any provision of this bond resolution or the rights of the City hereunder, the City will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the bonds from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

SECTION 20. The bonds are hereby designated as a portion of the \$10,000,000 of qualified tax-exempt obligations within the meaning and for the purposes of Section 149(b)(3) of the Code.

SECTION 21. The City covenants that it will make no prohibited payments as that term is used in the regulations promulgated under the Code.

SECTION 22. In the event it is determined the bonds do not meet the requirements of paragraph (4) of Subsection 149(f), but in the event the City receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Sections 18 and 19 herein are not required to be made in order to maintain the tax-exempt status of interest on the bonds, the City need not make such computations, deposits or payments.

SECTION 23. 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 Clapper seconded the motion to adopt the foregoing resolution and, the question being put to a roll call vote, the result was as follows:

Alderman Donald H. Howell	voted:	Affirm.
Alderman Jerry Cross	voted:	Y/N
Alderman Bobby Daniels	voted:	Y/N
Alderman Leroy Scott	voted:	Y/N
Alderman Benben Clapper	voted:	Y/N

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this 4th day of August, 1992.

*[Signature]*  
MAYOR

ATTEST:  
*[Signature]*  
CITY CLERK

EXHIBIT "D"

The Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, took up for further consideration the matter of the issuance of General Obligation Sewer Refunding Bonds, Series 1992, of the City of Petal, Mississippi, in the principal amount not to exceed One Million Three Hundred Seventy Thousand Dollars (\$1,370,000). After discussion of the subject, Alderman Scott offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING THE MAYOR OR CLERK OF THE BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY") TO PROVIDE A WRITTEN NOTIFICATION TO THE PEOPLES BANK (FORMERLY THE PEOPLES BANK OF BILOXI), BILOXI, MISSISSIPPI, PAYING AGENT FOR THE \$2,500,000 CITY OF PETAL, MISSISSIPPI, GENERAL OBLIGATION SEWER BONDS, SERIES 1985, DATED NOVEMBER 1, 1985 (THE "SERIES 1985 BONDS"), OF THE ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING SERIES 1985 BONDS WITH THE FUNDS TO BE PROVIDED BY THE ISSUANCE OF THE CITY'S ONE MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS (\$1,370,000) GENERAL OBLIGATION SEWER REFUNDING BONDS, SERIES 1992, OF THE CITY OF PETAL, MISSISSIPPI.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Board"), acting for and on behalf of the City of Petal, Mississippi (the "City"), have authorized the issuance and sale of One Million Three Hundred Seventy Thousand Dollars (\$1,370,000) General Obligation Sewer Refunding Bonds, Series 1992 (the "Bonds"), of the City of Petal, Mississippi, dated September 1, 1992.

WHEREAS, it is necessary to authorize the Mayor or Clerk of the Board of Aldermen of the City to provide a written notification to The Peoples Bank (Formerly The Peoples Bank of Biloxi), Biloxi, Mississippi, paying agent for the \$2,500,000 City of Petal, Mississippi, General Obligation Sewer Bonds, Series 1985, dated November 1, 1985 (the "Series 1985 Bonds"), of the advance refunding of a portion of the outstanding Series 1985 Bonds with the funds to be provided by the issuance of the City's Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, as follows:

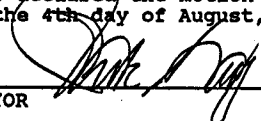
Section 1. That the Mayor and Board of Aldermen of the City of Petal, Mississippi, have hereby approved the sale and issuance of the Bonds.

Section 2. That the Mayor or Clerk of the Board is hereby authorized to provide written notification to the paying agent of the Series 1985 Bonds in the form attached hereto, said notification to serve as the authorization for the paying agent under the bond resolution for the Series 1985 Bonds for the optional redemption of the outstanding Series 1985 Bonds on November 1, 1995, according to the provisions of the bond resolution governing the Series 1985 Bonds and pursuant to this resolution, the bond resolution and escrow agreement approved by the Board on August 4, 1992, in connection with the sale and issuance of the Bonds.

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

Alderman Donald H. Rowell	voted: <u>absent</u>
Alderman Jerry Crowe	voted: <u>YEA</u>
Alderman Bobby Runnels	voted: <u>YEA</u>
Alderman Leroy Scott	voted: <u>YEA</u>
Alderman Reuben Clepper	voted: <u>YEA</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, on this the 4th day of August, 1992.

  
MAYOR

ATTEST:

  
CITY CLERK

THIS

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INTENTIONALLY