

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI AT 7:00 P.M. ON FEBRUARY 16, 1993 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

CHIEF AUBRA EVANS
CHIEF WAYNE MURPHY
ROBERT HATTEN
DEMERY GRUBBS

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

THE INVOCATION WAS OFFERED BY JERRY CROWE.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, ALDERMAN CLEPPER MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 2, 1993 BE ACCEPTED AS WRITTEN. 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, MAYOR GAY CALLED FOR PUBLIC COMMENT.

THEREUPON, ROBERT HATTEN OF NEEL-SCHAFFER, INC. STATED THAT NEEL-SCHAFFER, INC. HAS WORKED WITH THE CITY OF PETAL IN OBTAINING AND ADMINISTERING APPROXIMATELY \$1.5 MILLION DOLLARS IN CDBG PROGRAMS SINCE 1984 AND THEY HAVE ALWAYS HAD THE CITY OF PETAL'S INTEREST AT HEART AND WOULD LIKE TO CONTINUE TO WORK WITH THE CITY ON THE 1993 CDBG APPLICATION.

WHEREAS, THE HOUR OF 7:00 P.M. HAVING ARRIVED THE MAYOR AND BOARD OF ALDERMEN PROCEEDED TO PUBLICLY OPEN AND READ THE SEALED PROPOSALS FOR THE CDBG PLANNING AND APPLICATION PREPARATIONS FOR 1993.

CONTINENTAL CONSULTANTS INCORPORATED
820 NORTH STREET
JACKSON, MS. 39202-3019

MISSISSIPPI INSTITUTE FOR SMALL TOWNS, INC.
5305 EXECUTIVE PLACE SUITE C
JACKSON, MISSISSIPPI 39205-4133

NEEL-SCHAFFER, INC.
ENGINEERS & PLANNERS
P O BOX 982
HATTIESBURG, MS 39403-0982

JIMMY G. GOURAS, URBAN PLANNING CONSULTANTS, INC.
P O BOX 1547
VICKSBURG, MS 39181

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO TAKE THESE BIDS UNDER ADVISEMENT UNTIL THE COMMITTEE HAS HAD A OPPORTUNITY TO RATE AND RANK THE PROPOSALS. ALDERMAN SCOTT 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, MAYOR GAY STATED THAT THE COST OF FURNISHING AND INSTALLING ONE (1) NEW PLATFORM DUMP BODY FOR THE TRASH TRUCK WILL BE MORE THAT \$5,000. THEREFORE, THE CITY WILL NEED TO ADVERTISE FOR BIDS.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO ADVERTISE FOR BIDS FOR ONE (1) NEW PLATFORM DUMP BODY AND THE INSTALLATION. 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, POLICE CHIEF WAYNE MURPHY STATED THAT THE NEW POLICE CAR HAS BEEN RECEIVED AND THAT THE MOTOROLA 45 WATT M216 RADIO FOR THAT UNIT CAN BE PURCHASED AT THE STATE CONTRACT BID PRICE OF \$686.32 FROM COMMERCIAL COMMUNICATIONS.

THEREUPON, ALDERMAN CROWE MADE A MOTION TO PURCHASE THE MOTOROLA 45 WATT M216 RADIO AT THE STATE CONTRACT BID PRICE FOR \$686.32 FROM COMMERCIAL COMMUNICATIONS IN HATTIESBURG. 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, CHIEF MURPHY REQUESTED PERMISSION TO SEND ROBIN KINSEY AND KEN BULLOCK TO A SEMINAR ON BURGLARY CRIME SCENE INVESTIGATIONS AT THE EAST MS. CRIME LABORATORY IN MERIDIAN ON MARCH 5, 1993 AT A COST OF \$30.00 PER PERSON.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO AUTHORIZE ROBIN KINSEY AND KEN BULLOCK TO ATTEND THE BURGLARY CRIME SCENE INVESTIGATIONS ON MARCH 5, 1993 AND TO PAY THEIR EXPENSES. 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

THEREUPON, CHIEF MURPHY REQUESTED PERMISSION TO ATTEND, ALONG WITH CAPTAIN MIKE SMITH, A SEMINAR ON ASSET FORFEITURE TO BE HELD ON MARCH 10-12, 1993 IN BILOXI, MS.

THEREUPON, ALDERMAN CROWE MADE A MOTION TO AUTHORIZE THE CHIEF AND CAPTAIN SMITH TO ATTEND THE ASSES FORFEITURE SEMINAR MARCH 10-12, 1993 IN BILOXI AND TO PAY THEIR EXPENSES. ALDERMAN SCOTT 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, ALDERMAN CLEPPER MADE A MOTION TO RECESS THE REGULAR BOARD MEETING. 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

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO REOPEN THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN. ALDERMAN SCOTT 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, DEMERY GRUBBS OF HOLLEY, GRUBBS, MITCHUM AND PHILLIPS, FINANCIAL ADVISORS, STATED THAT THE PETAL PUBLIC IMPROVEMENT CORPORATION HAS ACCEPTED A PROPOSAL FROM MORGAN KEEGAN & COMPANY, INC. FOR THE \$550,000 BONDS FOR FIFTEEN (15) YEARS AT AN AVERAGE ANNUAL NET INTEREST RATE OF 6.346548% TO FINANCE THE CITY'S MULTI-PURPOSE CENTER. MR. GRUBBS PRESENTED A A COPY OF THE PROPOSAL TO THE BOARD.

SEE EXHIBIT "A"

MORGAN KEEGAN PROPOSAL (15 YEAR)

THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY"), TOOK UP FOR CONSIDERATION THE MATTER OF LEASING A PUBLIC BUILDING FOR THE CITY FROM THE PETAL PUBLIC IMPROVEMENT CORPORATION. AFTER A DISCUSSION, ALDERMAN RUNNELS MOVED AND ALDERMAN CLEPPER SECONDED THE ADOPTION OF THE FOLLOWING RESOLUTION:

SEE EXHIBIT "B"

RESOLUTION AUTHORIZING THE LEASE OF BUILDINGS, FACILITIES AND EQUIPMENT; APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT; APPROVING OTHER DOCUMENTS RELATING TO LEASE; AND AUTHORIZING CERTAIN ACTION BY CITY OFFICIALS

THOSE PRESENT AND VOTING "AYE":

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

THOSE PRESENT AND VOTING "NAY":

NONE

SEE EXHIBIT "C"

GROUND LEASE

SEE EXHIBIT "D"

LEASE AND OPTION TO PURCHASE

SEE EXHIBIT "E"

AGENCY AGREEMENT

SEE EXHIBIT "F"

TRUST AGREEMENT

SEE EXHIBIT "G"

ASSIGNMENT AGREEMENT

SEE EXHIBIT "H"

OFFICIAL STATEMENT

WHEREAS, MAYOR GAY PRESENTED A LETTER FROM DAN TOLBERT, BUILDING INSPECTOR STATING THAT THERE HAS BEEN NO ACTIVITY TOWARDS THE CLEAN UP OF THE PROPERTY AT 113 RAILROAD STREET WHICH IS OWNED BY VIRGINIA THOMAS AS MRS THOMAS INDICATED PRIOR TO THE PUBLIC HEARING.

THEREUPON, ALDERMAN CROWE MADE A MOTION FINDING THAT THE STRUCTURE ON THE PROPERTY IS STILL A SAFETY HAZARD TO THE COMMUNITY AND TO ADOPT THE FOLLOWING RESOLUTION AUTHORIZING THE CITY TO PROCEED WITH THE DEMOLITION OF THE STRUCTURE. ALDERMAN RUNNELS SECONDED THE MOTION.

SEE EXHIBIT "I"

RESOLUTION

THOSE PRESENT AND VOTING "AYE":

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

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROOFS OF PUBLICATION TO THE BOARD:

- A) LEGAL NOTICE - PROPOSALS FOR PLANNING 1993 CDBG PROJECT
- B) ORDINANCE 1993 (78) - TREE ORDINANCE

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT THE FOREGOING PROOFS BE ACCEPTED AND FILED. 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, MAYOR GAY PRESENTED A REQUEST FOR A TAX REFUND FROM VIRGINIA H. SIGREST ON PARCEL # 161A-2390001427.00 FOR THE 1991 TAXES IN THE AMOUNT OF \$714.13 BECAUSE OF A DOUBLE ASSESSMENT.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO REFUND MRS. SIGREST \$714.13 FOR THE 1991 TAXES PAID IN ERROR. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED THE PRIVILEGE LICENSE REPORT FOR JANUARY TO THE BOARD.

WHEREAS, MAYOR GAY PRESENTED THE REVENUES AND EXPENDITURES FOR THE MONTH OF JANUARY TO THE BOARD.

THEREUPON, ALDERMAN CROWE MADE A MOTION TO ACCEPT THE REPORT FOR THE MONTH OF JANUARY. 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, MAYOR GAY PRESENTED THE FOLLOWING CONTRACT BETWEEN THE CITY AND JERRI SIMMONS, CONSULTANT WITH SIMMONS CONSULTING ENGINEERS, P.A. TO PERFORM CERTAIN PROFESSIONAL SERVICES DURING THE 1993 PRIMARIES AND GENERAL ELECTION PERTAINING TO THE PREPARATION OF THE BALLOTS, BALLOT BOXES, AND VOTE-A-MATICS AND TO OVERSEE THE COUNTING OF THE BALLOTS.

SEE EXHIBIT "J"

AGREEMENT

THEREUPON, ALDERMAN CROWE MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT BETWEEN THE CITY AND JERRI SIMMONS. 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

WHEREAS, MAYOR GAY STATED THAT THE 1993 FORD F600G CAB AND CHASSIS ON THE STATE CONTRACT BID LIST FOR \$20,284.93 CAN BE PURCHASED FROM COURTESY FORD, THE IDENTICAL ITEM, FOR \$20,284.00.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO PURCHASE THE 1993 FORD F600G CAB AND CHASSIS, TO BE USED FOR THE TRASH TRUCK, FROM COURTESY FORD. 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, MAYOR GAY PRESENTED A STATEMENT FROM THE CITY OF HATTIESBURG FOR THE CITY OF PETAL'S SHARE OF THE RECYCLING CO-ORDINATOR'S SALARY AND FRINGE BENEFITS FOR THE MONTH OF JANUARY.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PAY THE CITY OF HATTIESBURG \$772.67 FOR THE CITY OF PETAL'S SHARE OF THE JANUARY SALARY AND FRINGE BENEFITS FOR THE RECYCLING CO-ORDINATOR. 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, MAYOR GAY PRESENTED THE FOLLOWING LETTER FROM FLYNT AND ASSOCIATES DONATING THEIR SERVICES TO THE CITY OF PETAL FOR THE PREPARATION OF A TOPOGRAPHIC SURVEY OF THE CITY HALL PROPERTY IN CONJUNCTION WITH THE MULTI-PURPOSE CENTER PROJECT.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO ACCEPT FLYNT AND ASSOCIATES DONATION OF SERVICES IN THE AMOUNT OF \$1,445.00 AND TO GIVE THEM A LETTER TO THAT EFFECT. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED A REQUEST FOR TRAVEL FOR LEROY SCOTT, RALPH EDDLEMON AND HIMSELF TO ATTEND THE MS RURAL WATER ASSOCIATION MEETING IN JACKSON, MS MARCH 11 & 12, 1993.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION AUTHORIZING THE THREE TO ATTEND AND TO PAY THEIR EXPENSES. 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, MAYOR GAY PRESENTED A REQUEST FOR THE CITY CLERK TO ATTEND THE MISSISSIPPI MUNICIPAL CLERKS XXIII ANNUAL CONFERENCE MARCH 10-12, 1993 IN TUPELO, MISSISSIPPI.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ATTEND AND TO PAY HER EXPENSES. 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, MAYOR GAY PRESENTED A REQUEST FOR THE BUILDING INSPECTOR TO ATTEND THEE 53RD ANNUAL MEETING AND CODE SEMINAR OF THE MS CHAPTER OF THE IAEI ON MARCH 7-9, 1993 IN GREENVILLE, MS.

THEREUPON, ALDERMAN CROWE MADE A MOTION TO AUTHORIZE THE BUILDING INSPECTOR TO ATTEND THE 53RD ANNUAL MEETING AND CODE SEMINAR OF THE IAEI AND TO PAY HIS EXPENSES. 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, MAYOR GAY PRESENTED A LETTER FROM THE BUILDING INSPECTOR ADVISING THE BOARD THAT TOXEY MORRIS HAS NOT, AS PROMISED BY MRS. DOROTHY JORDAN AT THE PUBLIC HEARING, REPAIRED THE BUILDING ON HIS PROPERTY LOCATED ON THE CORNER OF MORRIS STREET AND 4TH STREET.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO SCHEDULE A HEARING ON MARCH 16, 1993 AT 6:30 P.M. TO ALLOW MR MORRIS THE OPPORTUNITY TO BE HEARD BY THE BOARD ON THE CONDITION OF HIS PROPERTY AND HIS PLANS FOR REPAIR. ALDERMAN SCOTT 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 CLEPPER MADE A MOTION TO ADJOURN.
ALDERMAN RUNNELS SECONDED THE MOTION.

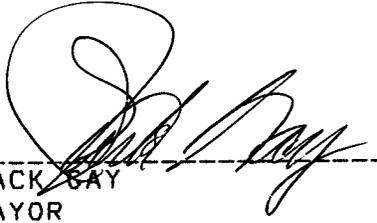
THOSE PRESENT AND VOTING "AYE":

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

THOSE PRESENT AND VOTING "NAY":

NONE

THEREBEING NO FURTHER BUSINESS THE REGULAR MEETING OF THE
MAYOR AND BOARD OF ALDERMEN WAS ADJOURNED ON THIS THE 16TH DAY OF
FEBRUARY, A.D., 1993.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

February 16, 1993

Petal Public Improvement Corporation EXHIBIT "A"
 Petal, Mississippi

Gentlemen:

We hereby offer to pay Five hundred fifty thousand dollars plus accrued interest to the date of delivery for (the) Five Hundred Fifty Thousand Dollars (\$550,000) principal amount Certificates of Participation evidencing proportionate interests in a lease, including the right to receive Base Rental payments thereunder, to be made by Petal, Mississippi (Petal, Mississippi Public Building Project), dated February 1, 1993 (the "Certificates"), as described in the Preliminary Official Statement, dated February 8, 1993, as amended by the Memorandum, dated February 10, 1993, maturing and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
1994	\$20,000	<u>8.00 %</u>	2002	\$40,000	<u>5.90 %</u>
1995	25,000	<u>8.00</u>	2003	40,000	<u>6.00</u>
1996	25,000	<u>8.00</u>	2004	45,000	<u>6.10</u>
1997	25,000	<u>8.00</u>	2005	45,000	<u>6.20</u>
1998	30,000	<u>8.00</u>	2006	50,000	<u>6.30</u>
1999	30,000	<u>6.70</u>	2007	50,000	<u>6.40</u>
2000	35,000	<u>5.60</u>	2008	55,000	<u>6.50</u>
2001	35,000	<u>5.75</u>			

Based upon the interest rate or rates specified above, we compute the gross interest cost to be \$321,770.00, the net interest cost (deducting premium of \$ 0, if any) to be \$321,770.00 and the average annual net interest rate from the date of the Certificates to their respective maturities to be 6.346548 %.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

A (cashier's check) (certified check) (bank exchange), ISSUED OR CERTIFIED BY A BANK LOCATED IN THE STATE OF MISSISSIPPI and payable to the Petal Public Improvement Corporation (the "Corporation"), in the amount of Eleven Thousand Dollars (\$11,000) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Certificates if this proposal is accepted, which shall be returned to the undersigned (1) if this proposal be not accepted or (2) if the Petal Public Improvement Corporation or its assignee should fail to deliver the Certificates to the undersigned in accordance with the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Certificates.

This proposal is submitted subject to all of the terms and conditions of the Preliminary Official Statement, dated February 8, 1993, as amended by the Memorandum, dated February 10, 1993, which by reference is hereby made a part of this Proposal.

Additionally, the acceptance of this proposal by the Petal Public Improvement Corporation is conditioned upon the acceptance by Petal, Mississippi (the "City"), of the Lease and Option to Purchase by and between the said City and the said Corporation.

This proposal is valid until 9:00 o'clock P.M., February 16, 1993.

BIDDER: MORGAN KEEGAN & COMPANY

BY: Walter Jacobs
 TITLE: WALTER JACOBS, FIRST V.P.

Associates (if any):

Return of good faith deposit is hereby acknowledged.

DATE: _____

BY: _____

ACCEPTANCE

The above proposal accepted by resolution of the Petal Public Improvement Corporation and receipt of the within-mentioned check is hereby acknowledged.

PETAL PUBLIC IMPROVEMENT CORPORATION

BY: _____

EXHIBIT "B"

The Mayor and Board of Aldermen of the City of Petal, Mississippi (the "City"), took up for consideration the matter of leasing a public building for the City. After a discussion, Alderman Runnels moved and Alderman Clepper seconded the adoption of the following resolution:

RESOLUTION AUTHORIZING THE LEASE OF BUILDINGS, FACILITIES AND EQUIPMENT; APPROVING THE PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT; APPROVING OTHER DOCUMENTS RELATING TO LEASE; AND AUTHORIZING CERTAIN ACTION BY CITY OFFICIALS.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City") acting for and on behalf of the City, does hereby find, determine, adjudicate and declare as follows:

1. On November 17, 1992, the Governing Body adopted a Resolution entitled "RESOLUTION DECLARING THE INTENT OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, TO ACQUIRE A PUBLIC BUILDING UNDER AUTHORITY OF SECTION 31-8-1 ET SEQ., MISSISSIPPI CODE OF 1972, AS AMENDED, AND TO AUTHORIZE AND APPROVE THE SALE AND ISSUANCE OF CERTIFICATES OF PARTICIPATION (PETAL, MISSISSIPPI COMMUNITY CENTER PROJECT) (THE "CERTIFICATES") IN AN AMOUNT NOT TO EXCEED FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000) AND TO AUTHORIZE CROSTHWAIT, TERNEY, NOBLE & ALLAIN, JACKSON, MISSISSIPPI AND HOLLEY, GRUBBS, MITCHAM AND PHILLIPS, JACKSON, MISSISSIPPI TO PROCEED WITH THE SOLICITATION AND ACCEPTANCE OF BIDS FOR THE SALE AND ISSUANCE OF THE CERTIFICATES" (the "Notice Resolution"), stating its intention to acquire a public building for the City (the "Project") from the Petal Public Improvement Corporation (the "Lessor") as set forth in the Notice Resolution and as authorized by Section 31-8-1 et seq., Mississippi Code of 1972, as amended (the "Act");
2. The City proposes to enter into a Ground Lease (as hereinafter defined) pursuant to which the City agrees to lease to the Lessor a certain parcel of real property (the "Property");
3. The City and the Lessor propose to enter into a Lease (as hereinafter defined) pursuant to which the Lessor agrees to lease the Property and certain public facilities to be constructed on the Property to the City in consideration for which the City will make payments of base rental ("Base Rental") for the use and possession of the Project;
4. The City and the Lessor have entered into an Agency Agreement (as hereinafter defined) pursuant to which the City shall serve as agent of the Corporation in construction of the Project;
5. The Lessor proposes to assign and transfer to Batesville Security Bank, Batesville, Mississippi, as trustee (the "Trustee"), certain of its rights, title and interest in and to the Ground Lease and the Lease, including its right to receive payments of Base Rental thereunder, by entering into an Assignment Agreement (as hereinafter defined); and
6. The City and the Trustee, with the consent and approval of Lessor, propose to enter into a Trust Agreement (as hereinafter defined) pursuant to which the Trustee will execute and deliver Certificates of Participation (Petal, Mississippi Public Building Project) (the "Certificates") representing undivided proportionate interests in the Lease, including the right to receive payments of Base Rental thereunder; and
7. It is necessary to approve and ratify the Preliminary Official Statement for the Certificates and the distribution thereof to prospective purchasers of the Certificates; and
8. It is necessary to approve the form and substance of the Official Statement.

EXHIBIT "B"

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN OF PETAL, MISSISSIPPI, AS FOLLOWS:

SECTION 1. All capitalized terms not defined herein shall have the same meanings in this Resolution as such terms are given in the Lease (as hereinafter defined) and the Trust Agreement (as hereinafter defined).

SECTION 2. This Resolution is adopted pursuant to the provisions of the Act and the Notice Resolution.

SECTION 3. Pursuant to the Act, the Lease of the Project is awarded to the Petal Public Improvement Corporation.

SECTION 4. The total amount of Base Rental payments, less any premium received, if any, to be made by the City pursuant to the Lease (as hereinafter defined) is hereby established to be \$871,770.00. In accordance with the proposal submitted by the Lessor, the Base Rental payments to be made by the City pursuant to the Lease (as hereinafter defined), including the principal and interest components of each payment are established and finally set to be those amounts specified as such in Lessor's proposal, attached hereto and incorporated herein by reference.

SECTION 5. The forms of the Ground Lease (the "Ground Lease") and the Lease and Option to Purchase (the "Lease") each of which is dated as of February 1, 1993, and the Agency Agreement dated February 1, 1993 (the "Agency Agreement"), all by and between the City and the Lessor, and attached hereto, are hereby approved and/or ratified. The Mayor and officers of the Board of Aldermen are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the City, to execute by manual or facsimile signature and deliver the Agency Agreement, the Ground Lease and the Lease in substantially the forms attached hereto and presented to and considered at this meeting, with such changes therein as the officer executing the same on behalf of the City may approve, in his discretion, as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. The form of Trust Agreement (the "Trust Agreement"), dated as of February 1, 1993, by and between the City and the Trustee attached hereto is hereby approved. The Mayor and officers of the Board of Aldermen are, and each of them acting alone is, hereby authorized and directed, for and in the name of and on behalf of the City, to execute by manual or facsimile signature and deliver the Trust Agreement in substantially the form attached hereto with such changes therein as the officer executing the same on behalf of the City may approve, in his discretion, as being in the best interests of the City, such approval to be conclusively evidenced by the execution and delivery thereof. Batesville Security Bank, Batesville, Mississippi, is hereby appointed to serve as Trustee pursuant to the terms of the Trust Agreement.

SECTION 7. The City hereby consents to the assignment by the Lessor pursuant to the Assignment Agreement, dated as of February 1, 1993, by and between the Trustee and the Lessor ("Assignment Agreement") of certain of the Lessor's rights under the Ground Lease and the Lease, including the right to receive payments of Base Rental under the Lease, to the Trustee for the benefit of the owners of the Certificates.

SECTION 8. The Governing Body of the City hereby approves and ratifies the form of the Preliminary Official Statement, dated February 8, 1993, as attached hereto, the distribution thereof, and the execution thereof by the Mayor and Clerk of the Board of Aldermen of the City, for and on behalf of the Governing Body.

SECTION 9. The form and substance of the final Official Statement, dated February 16, 1993, in substantially the form presented to this meeting are hereby approved and the Mayor and

EXHIBIT "B"

Clerk of the Board of Aldermen of the City is hereby authorized to execute such final Official Statement and deliver it to the Lessor and to consent to such omissions, corrections and modifications as he may approve. Such execution by the Mayor and Clerk of the Board of Aldermen of the City shall be conclusive evidence of the approval of such changes.

SECTION 10. All actions heretofore taken by any officer or officers of the City, as may be authorized by the City, with respect to the sale of the Lease or in connection with or related to any of the agreements referenced herein or the financing of the project, are hereby approved, confirmed and ratified.

SECTION 11. The officers of the City are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this Resolution.

SECTION 12. All other ordinances, resolutions and orders of the City in conflict with this Resolution shall be and the same are hereby replaced, rescinded and set aside, but only to the extent of such conflict. For cause, it is hereby found, determined and adjudicated that this Resolution shall become effective immediately upon its adoption by the Mayor and Board of Aldermen.

Following the reading of the foregoing resolution, the question being put to a roll call vote, the result was as follows:

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

The motion having received the affirmative vote of a majority of the members present, the President of the Board of Aldermen declared the resolution adopted, this 16th day of February, 1993.

Mayor

City Clerk

EXHIBIT "C"

GROUND LEASE

Dated as of February 1, 1993

by and between

THE CITY OF PETAL, MISSISSIPPI

and

PETAL PUBLIC IMPROVEMENT CORPORATION

Prepared By:
CROTHWAIT, FERNEY, NOBLE & ALLAIN
401 East Capitol Street, Suite 202
Jackson, Mississippi 39201

GROUND LEASE

THIS GROUND LEASE, dated as of February 1, 1993, (herein called the "Ground Lease") and entered into by and between the CITY OF PETAL, MISSISSIPPI (the "City"), a political subdivision of the State of Mississippi and the PETAL PUBLIC IMPROVEMENT CORPORATION (the "Corporation");

W I T N E S S E T H

That in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

SECTION 1. Definitions.

All capitalized terms used herein without definition shall have the meanings given to such terms in the Lease and Option to Purchase, dated as of the date hereof by and between the Corporation and the City (the "Lease").

SECTION 2. Property.

The City hereby leases to the Corporation the real property described in EXHIBIT A hereto and all buildings and improvements thereon (the "Property") and made a part hereof, subject to the terms hereof and subject to any conditions, reservations, exceptions and rights of way which are of record.

SECTION 3. Ownership.

The City covenants that it is the owner of and holds title in fee simple to the Property described in EXHIBIT A hereof.

SECTION 4. Term.

This Ground Lease shall commence on the date of execution and delivery hereof and end on the earlier to occur of (i) January 31, 2003 or (ii) the date of termination of the Lease with respect to the Property pursuant to Section 2 or 15 thereof, in no event to exceed 15 years.

SECTION 5. Rent.

The Corporation shall pay to the City an advance rent of \$1.00 as full consideration for this Ground Lease over its term.

SECTION 6. Purpose.

The Corporation shall utilize the Property for the purposes described in the Lease and for such other purposes as may be incidental thereto.

EXHIBIT "C"

SECTION 7. Assignment and Sublease.

The Corporation shall not assign, mortgage, hypothecate or otherwise encumber this Ground Lease and any rights hereunder and the leasehold created hereby by trust agreement, indenture or deed of trust or otherwise or sublet the Property without the written consent of the City, except that the City expressly approves and consents to the assignment and transfer of the Corporation's right, title and interest in this Ground Lease to the Trustee pursuant to the Assignment Agreement dated February 1, 1993.

SECTION 8. Right of Entry.

The City reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time.

SECTION 9. Expiration.

The Corporation agrees, upon the expiration of this Ground Lease, to relinquish its rights in and to quit and surrender the Property.

SECTION 10. Quiet Enjoyment.

The Corporation at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy all of the Property.

SECTION 11. Taxes.

The City covenants and agrees to pay any and all taxes and assessments levied or assessed upon the Property.

SECTION 12. Eminent Domain.

If the whole or any part of the Property shall be taken under the power of eminent domain, the interest of the Corporation shall be recognized and is hereby determined to be the aggregate amount of unpaid Base Rental under the Lease and shall be paid to the Trustee in accordance with the terms of the Lease and the Trust Agreement.

SECTION 13. Default.

In the event that the Corporation or its assignee shall be in default in the performance of any obligation on its part to be performed under the terms of this Ground Lease, the City may exercise any and all remedies granted by law, except that no merger of this Ground Lease and of the Lease shall be deemed to occur as a result thereof; provided, however, that the City shall have no power to terminate this Ground Lease by reason of any default on the part of the Corporation or its assignee if (1) such termination

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would affect or impair the assignment of the Property by the Corporation pursuant to the Assignment Agreement; or (ii) such termination would prejudice the exercise of the remedies provided in Section 12 of the Lease. So long as any such assignee or subtenant of the Corporation or any successor in interest to the Corporation shall duly perform the terms and conditions of this Ground Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the City hereunder and shall be entitled to all of the rights and privileges granted under any such assignment.

SECTION 14. Notices.

All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

City - City of Petal, City Hall, 119 W. 8th Avenue,
Petal, Mississippi 39465, Attention: Mayor.

Corporation - Petal Public Improvement Corporation, City
Hall, 119 W. 8th Avenue, Petal, Mississippi
39465, Attention: President.

SECTION 15. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Ground Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Ground Lease shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

SECTION 16. Governing Law.

This Ground Lease shall be governed by the laws of the State of Mississippi.

SECTION 17. Execution in Counterparts.

This Ground Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Ground Lease to be executed and attested by their proper officers thereunto duly authorized, as of the day and year first above written.

CITY OF PETAL, MISSISSIPPI

By: _____
Mayor

ATTEST:

By: _____
City Clerk

PETAL PUBLIC IMPROVEMENT
CORPORATION

By: _____
Authorized Signature

ATTEST:

By: _____
Secretary

STATE OF MISSISSIPPI
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named Jack Gay, Jr. and Priscilla C. Daniel, who acknowledged to me that they are the Mayor and City Clerk, respectively, of THE CITY OF PETAL, MISSISSIPPI and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said City and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the ____ of _____, 1993.

Notary Public

My Commission Expires:

STATE OF MISSISSIPPI
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named _____ and _____, who acknowledged to me that they are the President and Secretary, respectively, of the PETAL PUBLIC IMPROVEMENT CORPORATION and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the ____ of _____, 1993.

Notary Public

My Commission Expires:

EXHIBIT "D"

LEASE AND OPTION TO PURCHASE

Dated as of February 1, 1993

by and between

PETAL PUBLIC IMPROVEMENT CORPORATION

and

THE CITY OF PETAL, MISSISSIPPI

Prepared By:
CROTHWAIT, TERNEY, NOBLE & ALLAIN
401 East Capitol Street, Suite 202
Jackson, Mississippi 39201

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EXHIBIT A - DESCRIPTION

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EXHIBIT C - (RESERVED)

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BETWEEN PETAL PUBLIC IMPROVEMENT CORPORATION
AND THE CITY OF PETAL, MISSISSIPPI

EXHIBIT E - ASSIGNMENT AGREEMENT DATED AS OF FEBRUARY 1, 1993
BY AND BETWEEN PETAL PUBLIC IMPROVEMENT
CORPORATION AND _____, _____, AS
TRUSTEE

EXHIBIT "D"

LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE (the "Lease"), dated as of February 1, 1993, by and between the PETAL PUBLIC IMPROVEMENT CORPORATION (the "Corporation"), and the CITY OF PETAL, MISSISSIPPI (the "City"), a political subdivision of the State of Mississippi (the "State");

W I T N E S S E T H

WHEREAS, the Corporation and the City have entered into a Ground Lease (the "Ground Lease") dated as of the date hereof, pursuant to which the City agrees to lease certain real property located in the City, as described in EXHIBIT A hereto (the "Property") to the Corporation; and

WHEREAS, the City wishes to provide for the acquisition, construction and installation of certain public facilities to be located on the Property (collectively, the "Project"), and the City is authorized pursuant to the laws of the State to enter into leases for such purpose; and

WHEREAS, the City has determined that in order to accomplish such purpose it is necessary and desirable to acquire the Project by leasing the same pursuant to this Lease under the authority of Section 31-8-1 et seq., Mississippi Code of 1972, as amended; and

WHEREAS, the Corporation is simultaneously providing for the transfer of all its right, title and interest (other than its obligation to have the Project constructed and its rights to indemnification and payment or reimbursement of its costs and expenses incurred in connection with the construction of the Project) in and to this Lease to a Trustee for the benefit of the owners of certain certificates of participation in this Lease; and

WHEREAS, the Corporation has previously designated the City as its agent for purposes of constructing the Project and related facilities;

NOW, THEREFORE in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

SECTION 1. Definitions.

Unless the context otherwise requires, the terms defined in this Section 1 shall, for all purposes of this Lease, have the meanings as set forth below. All other capitalized terms used herein without definition shall have the meanings given to such terms in the Trust Agreement (as hereinafter defined).

"Acquisition Costs" means, with respect to the Project and related facilities, the costs paid or to be paid to or at the direction of the Contractor for the acquisition, construction, installation and delivery of the Project and related facilities, in accordance with the General Construction Contract, and includes reimbursement to the City for any payments made to the Contractor by the City prior to or subsequent to the execution of the Lease. Acquisition Costs also include the cost of the site of the Project, the costs of site preparation necessary for the construction and installation of the Project and related facilities, costs and expenses incurred in connection with the execution and delivery of the Certificates, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement and the Trust Agreement, and any and all agreements, instruments, certificates or other documents issued in connection therewith, any premium with respect to insurance of the Certificates, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, delivery, installation and financing of the Project and related facilities.

"Additional Rental" means the amounts specified as such in Section 3.1(b) of this Lease.

"Agency Agreement" means that certain Agency Agreement dated as of February 1, 1993, by and between the Corporation and the City pursuant to which the Corporation designates the City as its agent for purposes of constructing the Project and related facilities, a copy thereof attached hereto as EXHIBIT D.

"Assignment Agreement" means that certain Assignment Agreement dated as of February 1, 1993, by and between the Corporation and the Trustee pertaining to the assignment of all of the Corporation's right, title and interest (other than its obligation to have the Project constructed and its rights to indemnification and payment or reimbursement of its costs and expenses incurred in connection with the construction of the Project) in and to this Lease and the Ground Lease to the Trustee for the benefit of the Owners of the Certificates, a copy thereof attached hereto as EXHIBIT E.

"Base Rental" means the amounts referred to as such in Section 3.1(a) of this Lease, as such amounts may be adjusted from time to time in accordance with the terms hereof, but does not include Additional Rental.

"Business Day" means a day which is not a Saturday or Sunday, or a day on which the offices of the City are authorized or required by law to be closed, or a day on which banking institutions are authorized or required by law to be closed in the State of New York or the State of Mississippi for commercial banking purposes.

"Certificate of Completion" means the notice filed with the Trustee by the City Representative, stating that the Improvements

EXHIBIT "D"

have been substantially completed, but reserving the rights of the City against third parties.

"City" means the City of Petal, Mississippi, a political subdivision of the State.

"Closing Date" means _____, 1993, or such later date as may be agreed upon by the parties hereto.

"Construction Costs" means, with respect to the Improvements and related facilities, the contract price paid or to be paid for completion of the acquisition, construction, installation and delivery of the Improvements and related facilities in accordance with the General Construction Contract, and includes reimbursement to the City for any payments made by the City prior or subsequent to the execution of this Lease. Construction Costs also include the costs of site preparation necessary for the construction and installation of the Improvements, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, installation, delivery and financing of the Improvements and related facilities.

"Contractor" means the contractor or contractors selected by the Corporation and approved by the City for construction of one or more phases or portions of the Project.

"Corporation" means the Petal Public Improvement Corporation.

"Fiscal Year" means the fiscal year of the City, which at the date of this Lease is the period from October 1 to and including the following September 30.

"General Construction Contract" means the contract or contracts entered into with the Contractor with respect to the construction, acquisition, delivery or installation of the Project and related facilities.

"Improvements" means those certain improvements which are acquired, constructed, installed and delivered on the Property in accordance with the Plans.

"Lease" means this Lease and Option to Purchase.

"Lease Term" means the term of this Lease as provided in Section 2 hereof.

"Lease Year" means the period from Closing Date through January 31, 1994, and thereafter each twelve month period from each February 1 to and including the following January 31, during the Lease Term, beginning with the period ending January 31, 1995.

"Lessor" means the Corporation or, after the effective date of the Assignment Agreement, the Trustee.

"Option Price" means the total amount necessary to defease all Outstanding Certificates (as such term is defined in the Trust Agreement) pursuant to and in accordance with Section 10.01 of the Trust Agreement.

"Plans" means the plans and specifications for the Project approved by the City. It is anticipated that the Plans will be developed and approved by the City in phases. Said specifications may from time to time be amended with the consent of the City, but no such amendment may be made which would increase the cost of the Project beyond the amount of money available, in the determination of the City, to pay the same or which would change the character of the Project to the extent that it would cease to be of the nature described in the Plans.

"Project" means and includes the Property and the Improvements to be placed thereon, as more particularly described hereinabove and in the Plans to be approved by the City, to be constructed by the Corporation on the Property all of which are to be leased to and used by the City.

"Property" shall mean the property described in EXHIBIT A hereto.

"Property Insurance" means the insurance required to be maintained by the City under clauses (1) and (3) of Section 4.4 of the Lease.

"Rental Deposit Date" means the day which is five (5) days prior to the date on which the next payment of Base Rental is scheduled to become payable.

"State" means the State of Mississippi.

"Trust Agreement" means that certain Trust Agreement dated as of the date hereof, by and between the City and the Trustee.

"Trustee" means the trustee acting in its capacity as such under the Trust Agreement or any successor appointed as therein provided.

SECTION 2. Construction of Project; Agreement to Lease; Term of Lease; Transfer of Title.

(a) The Corporation agrees to cause the Project and related facilities to be constructed and installed, and to enter into and to provide for, or cause to be provided for, the complete construction and installation of the Project and related facilities in accordance with the Plans, the terms of this Lease and the

EXHIBIT "D"

General Construction Contract.

and any other architects, engineers, and planners (the "Engineers"), duly qualified and registered to practice as consulting engineers in the State of Mississippi, will develop and approve the Plans for the construction of the Project on the Property. The Plans for each phase will be examined and approved in all particulars by the City. Proposals for the Lease of the Project have been received and the Corporation's proposal has been accepted by the City. The proposal on the lease by the Corporation was based in part on estimates of the cost of acquisition of the Property and of construction expected by the Engineers in the amount of \$. Bids for contracts for construction of each phase of the Project (collectively the "General Construction Contract") have been and will be solicited by publication therefor as required by law. To the extent that actual acquisition and construction costs of the Project as approved hereafter by the City is greater than the Engineer's estimated costs on which the Corporation's bid was based, the City shall pay to the Trustee, for deposit to the Construction and Acquisition Fund, the amount necessary to provide sufficient funds for payment of the actual acquisition and construction costs of completing the Project as approved by the City. Change orders shall be approved only upon the terms and conditions set forth in Section 4 of the Agency Agreement. Payment for the costs of constructing and installing the Project and related facilities shall be made from the moneys deposited in the Construction and Acquisition Fund which shall be disbursed for this purpose in accordance and upon compliance with Article III of the Trust Agreement. The Corporation agrees that it will cause the construction, acquisition, delivery and installation of the Project and related facilities to be diligently performed after the deposit of funds into the Construction and Acquisition Fund and that the Project shall be complete at or before the time specified in the Plans and the General Construction Contracts for construction to be approved by the City. If such construction is not completed, there shall be no resulting liability on the part of the Corporation and no diminution in the payments required in Section 3 hereof to be paid by the City. It is understood and agreed that all such construction shall at all times be subject to the supervision and direction of the City as set forth in the Agency Agreement. The Corporation agrees that the unexpended moneys remaining in the Construction and Acquisition Fund shall, upon payment in full of all Acquisition Costs of the Project, be applied solely in accordance with the provisions of the Trust Agreement.

(b) The Lessor hereby agrees to lease the Project to the City, and the City hereby agrees to pay the Base Rental and the Additional Rental as provided herein for the use and occupancy of the Project, all on the terms and conditions set forth herein. Upon substantial completion of the Improvements, the City shall promptly deliver to the Trustee a Certificate of Completion. The Lease Term begins on the Closing Date and ends January 31, 2003, or

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at such earlier time as the Certificates have been paid or provision for their payment has been made in accordance with the provisions of this Lease and the Trust Agreement, which term in no event shall exceed twenty years.

Upon payment of all Base Rental and Additional Rental required by this Lease or upon the sale of the Project to the City or its assignee pursuant to the exercise of its option to purchase the Project in accordance with Section 15 of this Lease, this Lease shall terminate and title to the Project, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City, in accordance with the provisions of this Lease.

SECTION 3. Rent.

SECTION 3.1. Rental Payments.

Subject to Section 3.3, below, the City shall pay the Base Rental and Additional Rental in the amounts, at the times and in the manner set forth herein, such amounts constituting in the aggregate the rental payable under this Lease as follows:

(a) **Base Rental.** The City agrees to pay as Base Rental under this Lease for each Lease Year, commencing February 1, 1994, payable on each January 26 and July 26, during the term of this Lease, the amounts set forth in EXHIBIT B hereof, a portion of which shall constitute principal and a portion of which shall constitute interest as shown in such EXHIBIT. The allocation of any Base Rental payment to a principal component and an interest component shall correspond to the principal and interest payable with respect to the Certificates on the date such Base Rental payment is due. Base Rental due on February 1 in any year shall be for the period August 1 of the prior year through January 31 of such year, and Base Rental due August 1 in any year shall be for the period February 1 of said year through the last day of July of such year. In no event shall the amount of Base Rental payable on any date exceed the aggregate amount of principal and interest required to be paid or prepaid on such date with respect to the Outstanding Certificates, according to their tenor.

To secure the performance of its obligation to pay Base Rental, the City shall deposit the Base Rental scheduled to become due on the next succeeding date on which a payment of Base Rental is due with the Trustee on or before the Rental Deposit Date, for application by the Trustee in accordance with the terms of the Trust Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next preceding Business Day. If five days prior to any due date for the payment of principal or interest with respect to the Certificates, the balance available for that purpose in the Certificate Fund is insufficient to make the required payments on such date, the City

EXHIBIT "D"

will pay any such deficiency in sufficient time to prevent an event of default. Rental payments under this paragraph shall be paid by the City directly to the Trustee.

The obligation of the City to pay Base Rental shall commence on the Closing Date. Base Rental payments with respect to the Project shall be payable from any source lawfully available therefor.

(b) Additional Rental. In addition to the Base Rental set forth herein, the City agrees to pay as Additional Rental all of the following:

(i) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and special lien special assessments and gross receipts taxes, if any, levied upon the Project or upon any interest of the Corporation, or the Trustee therein or in this Lease;

(ii) Insurance premiums, if any, on all insurance required under the provisions of Section 4.4 of this Lease;

(iii) All fees and expenses (not otherwise paid or provided for out of the proceeds of the sale of the Certificates) of the Trustee in connection with the Trust Agreement; and

(iv) Any other fees, costs or expenses incurred by the Lessor in connection with the execution, performance or enforcement of this Lease or any assignment hereof or the Trust Agreement or any of the transactions contemplated hereby or thereby or related to the Project, including, without limitation, any amounts (not otherwise paid or provided for out of the proceeds of the sale of the Certificates) which may become due.

Amounts constituting Additional Rental payable hereunder shall be paid by the City directly to the person or persons to whom such amounts shall be payable. The City shall pay all such amounts when due or at such later time as such amounts may be paid without penalty and not later than November 1 of each year shall furnish to the Trustee a certificate stating that any such amounts have been paid or that no such amounts were due.

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SECTION 3.2. Consideration.

The payments of Base Rental and Additional Rental under this Lease attributable to each Fiscal Year or portion thereof during the Lease Term shall constitute the total rental for such Fiscal Year or portion thereof and shall be paid by the City for and in consideration of the right to the use and occupancy, and the continued quiet use and enjoyment, of the Project by the City for and during such Fiscal Year or portion thereof. The parties hereto have agreed and determined that such total rental is not in excess of the total fair rental value of the Project.

In making such determination, consideration has been given to the costs of acquisition and financing of the Project, the uses and purposes served by the Project, and the benefits therefrom that will accrue to the parties by reason of this Lease and to the general public by reason of the City's use of the Project.

SECTION 3.3. City's Obligation.

The City hereby covenants to take such action as may be necessary to include all Base Rental and Additional Rental due hereunder in its annual budget and to make the necessary annual appropriations for all such Base Rental and Additional Rental until all principal of and interest on the Certificates shall have been paid or all obligations of the City under the Trust Agreement have been satisfied and terminated. This covenant is specifically subject to the express limitation contained in the following paragraph.

The obligation of the City to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the City to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The City's Mayor and Board of Aldermen (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Trust Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The City has not pledged or levied any form of taxation for the payment of Outstanding Certificates.

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EXHIBIT "D"

The obligation of the City under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the City, the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

SECTION 3.4. Payment; Credit.

Amounts necessary to pay Base Rental shall be deposited by the City on or before the Rental Deposit Date as set forth in Section 3.1(a) in lawful money of the United States of America, at the office of the Trustee in _____, Mississippi, or at such other place or places as may be established in accordance with the Trust Agreement. Any amount necessary to pay any Base Rental or portion thereof which is not so deposited shall remain due and payable until received by the Trustee. Notwithstanding any dispute between the City and the Lessor hereunder, and subject to the provisions in Section 3.3, above, the City shall make all rental payments when due and shall not withhold any rental payments pending the final resolution of such disputes or for any other reason whatsoever. Except as provided in Section 3.3, above, the City's obligation to make rental payments in the amounts and on the terms and conditions specified hereunder shall be absolute and unconditional without any right of setoff or counterclaim. Amounts required to be deposited with the Trustee pursuant to this Section 3.4 on or before any Rental Deposit Date shall be reduced to the extent of amounts on deposit on such Rental Deposit Date in the Interest Account and Principal Account in the Certificate Fund established under the Trust Agreement.

SECTION 3.5. No Rental Abatement.

Except as provided in Section 3.3, above, the obligations of the City to make the payments required in Section 3 hereof and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional, regardless of whether the Project shall have been entirely completed at the time the first payments become due hereunder and regardless of the continued existence of the Project in physical condition satisfactory to the City. Until such time as the principal of and interest on the Certificates shall have been fully paid or all the City's obligations hereunder satisfied and defeased, and except as provided in Section 3.3, above, the City (1) shall not diminish, suspend or discontinue any payments provided for in Section 3 hereof, (2) shall perform and observe all of its other agreements contained in this agreement, and (3) shall not terminate this Lease for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, condemnation, destruction of or damage to the Project, frustration of purpose, any change in the tax or other laws of the United States of America or of the State of Mississippi or any political subdivision of either thereof or any failure of the Corporation to

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perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release the Corporation from the performance of any of the agreements on its part herein contained; and in the event the Corporation shall fail to perform any such agreement on its part, the City may institute such action against the Corporation as the City may deem necessary to compel performance or recover its damages for nonperformance so long as such action shall not do violence to the agreements on the part of the City contained in the next two preceding sentences. The City may, however, at its own cost and expense and in its own name or in the name of the Corporation, prosecute or defend any action or proceeding or take any other action involving third persons which the City deems reasonably necessary in order to secure or protect its rights of possession, occupancy and use hereunder, and in such event the Corporation hereby agrees to cooperate fully with the City and to take all action necessary to effect the substitution of the City for the Corporation in any such action or proceeding if the City shall so request.

SECTION 3.6. Triple Net Lease.

This Lease is intended to be a triple net lease. The City agrees that the rental payments provided for herein shall be an absolute net return to the Lessor free and clear of any expenses, charges or set-offs whatsoever.

SECTION 4. Affirmative Covenants of the Corporation and the City.

The Corporation and the City are entering into this Lease in consideration of, among other things, the following covenants:

SECTION 4.1. Construction of Improvements.

The Corporation agrees to cause the Improvements and related facilities to be constructed, acquired, delivered and installed, and hereby authorizes and confirms the right of the City to enter into and to provide for, or cause to be provided for, the complete construction, acquisition, delivery and installation of the Improvements and related facilities under the terms of the Agency Agreement. Payment for the costs of constructing, acquiring, delivering and installing the Improvements and related facilities shall be made from money deposited in the General Account within the Construction and Acquisition Fund which shall be disbursed for this purpose in accordance with the Trust Agreement. The Corporation agrees that the unexpended money remaining in the General Account within the Construction and Acquisition Fund shall, upon payment in full of all costs of constructing, acquiring, delivering and installing the Improvements and related facilities, be applied solely in accordance with the provisions of the Trust Agreement.

EXHIBIT "D"

SECTION 4.2. Replacement, Maintenance and Repairs.

The City shall, at its own expense, during the term of this Lease maintain the Project, or cause the same to be maintained, in good order, condition and repair and shall replace any portion of the Project which is destroyed; provided, that the City shall not be required to repair or replace any such portion of the Project pursuant to this Section 4.2 if there shall be applied to the redemption of Certificates insurance proceeds or other lawfully available funds sufficient to redeem (i) all of the Certificates Outstanding, or (ii) any portion thereof and the rental payments allocable to the remaining portion of the Project equals the pro-rata portion of Base Rental allocable to the Certificates Outstanding after such redemption. The City shall provide or cause to be provided all security service, custodial service, janitorial service and other services necessary for the proper upkeep and maintenance of the Project. It is understood and agreed that in consideration of the payment by the City of the rental herein provided for, the City is entitled to occupy the Project and no other party shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Project during the Lease Term. The Lessor shall not be required at any time to make any improvements, alterations, changes, additions, repairs or replacements of any nature whatsoever in or to the Project. The City hereby expressly waives the right to make repairs or to perform maintenance of the Project at the expense of the Lessor. The City shall keep the Project free and clear of all liens, charges and encumbrances, subject only to the provisions of Section 4.5 hereof.

SECTION 4.3. Utilities.

The City shall pay for the furnishing of all utilities which may be used in or upon the Project during the Lease Term. Such payment shall be made by the City directly to the respective utility companies furnishing such utility services or products, under such contract or contracts therefor as the City may make.

SECTION 4.4. Insurance.

The City shall secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility or through a program of self-insurance to the extent specifically permitted in this Section 4.4, all coverage on the Project required by this Section 4.4.

Such insurance shall consist of:

(1) A policy or policies of insurance against loss or damage to the Project known as "all risk." Such insurance shall be maintained at all times in an amount not less than the aggregate amount of Certificate Obligation at such time

Outstanding. Such insurance may at any time include a deductible clause providing for a deductible not to exceed 10% of the total loss per occurrence for all losses in any year; provided, however, that in the event the insurance required under this clause (1) is not available from reputable insurers at a reasonable cost, the City shall be required to self-insure to the extent necessary to enable it to repair or replace the Project in accordance with the provisions of Section 4.2 hereof;

(2) Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury, or property damage arising from operations involving the Project, in an amount recommended from time to time by the City's risk management officer or an independent insurance consultant retained by the City for that purpose; provided, however, that the City's obligations under this clause (2) may be satisfied by self-insurance in an amount based on the recommendation of an independent insurance consultant retained by the City;

(3) From and after the substantial completion of the Project which shall be evidenced by a Certificate of Completion, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed in the Project in an amount not less than \$1,000,000.00 per accident;

(4) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State of Mississippi; provided, however, that the City's obligations under this clause (4) may be satisfied by self-insurance.

All policies or certificates issued by the respective insurers for insurance, with the exception of workers' compensation insurance, shall provide that such policies or certificates shall not be cancelled or materially changed without at least 30 days' prior written notice to the Trustee. On or before February 1 of any Lease Year, the City shall deposit with the Trustee a certificate of a City Representative stating that the City is in compliance with the insurance requirements set forth in this Section 4.4.

All policies or certificates of insurance provided for herein shall name the City as a named insured, and shall name the Corporation and its directors and the Trustee as additional insureds. In addition, the policies or certificates of insurance required to be maintained under clauses (1) and (3) shall name the Trustee as loss payee. All proceeds of insurance maintained under clauses (1) and (3) above, shall be deposited with the Trustee for application pursuant to the Trust Agreement. All proceeds of insurance maintained under clauses (2) and (4) shall be deposited with the City.

EXHIBIT "D"

SECTION 4.5. Liens.

The City shall promptly pay or cause to be paid all sums of money that may become due for any labor, services, materials, supplies or equipment furnished or to be furnished to or for, in, upon or about the Project and which may be secured by any mechanic's, materialman's or other lien against the Project, or the interest of the Lessor therein, and shall cause each such lien to be fully discharged and released; provided, however, that the City or the Lessor may (i) contest any such claim or lien without payment thereof so long as such non-payment and contest stays execution or enforcement of the lien, but if such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not stayed, or if stayed and the stay thereafter expires, then and in such event the City shall forthwith pay and discharge such judgment or lien; or (ii) delay payment without contest so long as and to the extent that such delay will not result in the imposition of any penalty.

SECTION 4.6. Laws and Ordinances.

The City agrees to observe and comply with all rules, regulations and laws applicable to the City with respect to the Project and the operation thereof. The cost, if any, of such observance and compliance shall be borne by the City, and the Lessor shall not be liable therefor. The City agrees further to place, keep, use, maintain and operate the Project in such a manner and condition as will provide for the safety of its agents, employees, invitees, subtenants, licensees and the public.

SECTION 5. Application of Property Insurance Proceeds.

Proceeds of Property Insurance received in respect of destruction of or damage to the Project by fire or other casualty or event shall be paid to the Trustee for application in accordance with the provisions of Section 3.10 of the Trust Agreement.

SECTION 6. Eminent Domain.

If the Project, or any portion thereof, shall be taken under the power of eminent domain, then this Lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of Section 3.10 of the Trust Agreement.

SECTION 7. Assignment and Sublease.

(a) The City shall not mortgage, pledge, design or transfer any interest of the City in this Lease by voluntary act or by operation of law, or otherwise; provided, however, that the City may, subject to compliance with Section 7.06 of the Trust Agreement, sublease all or any portion of the Project, may grant concessions to others involving the use of any portion of the Project, whether such concessions purport to convey a leasehold interest or a license to use a portion of the Project, and may assign its right to Purchase the Project pursuant to Section 15 hereof. The City shall at all times remain liable for the performance of the covenants and conditions on its part to be performed under this Lease, notwithstanding any subletting or granting of concessions which may be made. Nothing herein contained shall be construed to relieve the City from its obligation to pay Base Rental and Additional Rental as provided in this Lease or to relieve the City from any other obligations contained herein.

(b) The Corporation shall, concurrently with the execution hereof, assign all of its right, title and interest (other than its obligation to have the Project constructed and its rights to indemnification and payment or reimbursement for any costs or expenses) in and to this Lease, including, without limitation, its right to receive Base Rental or Additional Rental payable hereunder, to the Trustee pursuant to the Assignment Agreement, and the City hereby approves such assignment. The parties hereto further agree to execute any and all documents necessary and proper in connection therewith.

SECTION 8. Additions and Improvements.

The City shall have the right during the Lease Term to make any additions or improvements to the Project, to attach fixtures, structures or signs, and to affix any personal property to the Project, so long as the fair market value of the Project is not thereby reduced.

SECTION 9. Right of Entry.

Representatives of the Lessor shall, subject to reasonable security precautions, have the right to enter upon the Project during reasonable business hours (and in an emergency at all times) (i) to inspect the same, (ii) for any purpose connected with the rights or obligations of the Lessor under this Lease, or (iii) for all other lawful purposes.

SECTION 10. Quiet Enjoyment.

The Lessor covenants and agrees that the City, by keeping and performing the covenants and agreements herein contained, shall, at

EXHIBIT "D"

all times during the Lease Term, peaceably and quietly have, hold, and enjoy the Project.

SECTION 11. Indemnification and Hold Harmless Agreement.

The City hereby agrees to indemnify and hold harmless the Corporation and the Trustee and their officers and directors against any and all liabilities which might arise out of or are related to the Project and the Certificates, and the City further agrees to defend the Corporation and the Trustee and their officers and directors in any action arising out of or related to the Project and the Certificates.

SECTION 12. Default by City; Remedies.

(a) **Default.** If the City shall (i) fail to deposit with the Trustee any Base Rental payment required to be so deposited pursuant to Section 3.1(a) hereof by the close of business on the day such deposit is required to be made pursuant to Section 3.1(a) hereof, (ii) fail to pay any item of Additional Rental as and when the same shall become due and payable pursuant to Section 3.1(b) hereof, or (iii) breach any other terms, covenants or conditions contained herein or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Lessor to the City, then and in any such event the City shall be deemed to be in default hereunder; provided, however, that if the failure stated in the notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the City within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interest of any Owner.

(b) **Remedies.** Upon an event of default as defined in Section 12 (a) above, the Lessor shall have the right to (i) terminate this Lease, (ii) re-enter the Project, (iii) eject all parties in possession therefrom and (iv) relet the Project or sell the Improvements, subject to the Ground Lease. Notwithstanding anything herein to the contrary, in no event will the Lessor be entitled to, nor will the City be liable for, any deficiency resulting from said reletting of the Project or sale of the Improvements, or from the continuation of this Lease by the Lessor, beyond the amount of the specific appropriation, if any, by the City for the Project for the year in which the default occurred reduced by the amount of said current and specific appropriation disbursed by the City in accordance with the terms of this Lease and the Trust Agreement.

All damages and other payments received by the Lessor pursuant to the exercise of its rights and remedies pursuant to this Section 12 shall be applied in the manner set forth in Section 8.09 of the Trust Agreement.

(c) **Limitations.** Notwithstanding any other provision of this Lease or the Trust Agreement, in no event shall the Lessor have the right to accelerate the payment of any Base Rental hereunder.

(d) **Remedies Cumulative.** Each and every remedy of the Lessor or any assignee of the rights of the Lessor hereunder is cumulative and the exercise of one remedy shall not impair the right of the Lessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Lessor or any assignee of the rights of the Lessor hereunder, the Lessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

SECTION 13. Waiver.

The waiver by the Lessor of any breach by the City, and the waiver by the City of any breach by the Lessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

SECTION 14. Disclaimer of Warranties.

Neither the Corporation nor any person acting on its behalf has made or makes any warranty or representation as to the past, present or future condition of the Project not herein expressed, and the City has entered into this Lease without representations or warranties with respect thereto on the part of the Corporation, its agents, representatives or employees other than those expressed herein.

SECTION 15. Option to Purchase.

The City shall have the exclusive right and option, which shall be irrevocable during the term of this Lease, to purchase the Lessor's interest in the Project on any Business Day, upon payment to the Trustee of the Option Price, but only if the City is not in default under this Lease or the Trust Agreement and only in the manner provided in this Section 15.

On any Business Day as to which the City shall have exercised the option granted it pursuant hereto, and shall have paid or made provision for the payment to the Trustee of the required Option Price, the Lessor shall execute and deliver to the City a quitclaim deed conveying to the City or its nominee Lessor's interest so purchased. If the City shall exercise the option provided in this Section prior to the expiration of the Lease Term, and the Lessor shall execute and deliver the quitclaim deed as aforesaid, then this Lease shall terminate, but such termination shall not affect the City's obligation to pay the Option Price to the Trustee on the terms herein set forth.

EXHIBIT "D"

SECTION 16. Validity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Lease shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

If for any reason this Lease is held by a court of competent jurisdiction void, voidable, or unenforceable by the Lessor or by the City, or if for any reason it is held by such a court that any of the covenants and agreements of the City hereunder, including the covenant to pay Base Rental and Additional Rental hereunder, is unenforceable for the full Lease Term, then and in such event for and in consideration of the right of the City to possess, occupy and use the Project, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Base Rental payments and Additional Rental payments herein specified will be paid by the City.

SECTION 17. Execution.

This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which together shall constitute one and the same Lease.

SECTION 18. Law Governing.

This Lease is made in the State of Mississippi under the Constitution and laws of the State and is to be so construed.

SECTION 19. Notices.

Except as otherwise provided in the Lease, all notices under this Lease by any party shall be in writing and shall be sufficiently given and served if delivered by hand directly to the offices named below or sent by United States first class mail postage prepaid and addressed as follows:

(a) if to the City, to the City Clerk, City of Petal, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465.

(b) if to the Corporation, Co. Petal Public Improvement Corporation, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465, Attention: President.

SECTION 20. Amendments.

This Lease may be amended only in accordance with and as permitted by the terms of Section 6.02 of the Trust Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year first above written.

CITY OF PETAL, MISSISSIPPI

[SEAL]

By: _____
Mayor

ATTEST:

City Clerk

PETAL PUBLIC IMPROVEMENT CORPORATION

By: _____
President

ATTEST:

Secretary

EXHIBIT "D"

STATE OF MISSISSIPPI

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named Jack Gay, Jr. and Priscilla C. Daniel, who acknowledged to me that they are Mayor and City Clerk, respectively, of the CITY OF PETAL, MISSISSIPPI, and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said City and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the _____ day of _____, 1993.

Notary Public

My Commission Expires: _____

STATE OF MISSISSIPPI

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named _____ and _____, who acknowledged to me that they are the President and Secretary, respectively, of the PETAL PUBLIC IMPROVEMENT CORPORATION and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the _____ day of _____, 1993.

Notary Public

My Commission Expires: _____

EXHIBIT A
DESCRIPTION

EXHIBIT B
RENTAL PAYMENTS

EXHIBIT C
(RESERVED)

EXHIBIT D

Insert copy of the Agency Agreement, executed by the Petal Public Improvement Corporation and the City of Petal, Mississippi.

EXHIBIT E

Insert a copy of the Assignment Agreement, executed by the Petal Public Improvement Corporation and _____, _____ as Trustee.

EXHIBIT "D"

THIS

PAGE

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INTENTIONALLY

EXHIBIT "E"

AGENCY AGREEMENT

Dated as of February 1, 1993

by and between

PETAL PUBLIC IMPROVEMENT CORPORATION

and

THE CITY OF PETAL, MISSISSIPPI

Prepared by:
Crosthwait, Terney, Noble & Allain
401 East Capitol Street, Suite 202
Jackson, Mississippi 39201

THIS AGENCY AGREEMENT is entered into as of February 1, 1993, by and between the PETAL PUBLIC IMPROVEMENT CORPORATION (the "Corporation") and the CITY OF PETAL, MISSISSIPPI (the "City"), a political subdivision of the State of Mississippi (the "State")

W I T N E S S E T H

WHEREAS, the City and the Corporation have entered into a Ground Lease (the "Ground Lease"), dated as of the date hereof, pursuant to which the City agrees to lease a certain parcel of real property located in the City, as described therein and in EXHIBIT "A" (the "Property") to the Corporation;

WHEREAS, the City and the Corporation have entered into a Lease and Option to Purchase dated as of the date hereof (the "Lease") pursuant to which the Corporation agrees to cause certain public facilities to be constructed, acquired, delivered and installed on the Property (collectively, the "Project") and the City agrees to lease the Project from the Corporation;

WHEREAS, the Corporation has transferred all of its right, title and interest in the Ground Lease and the Lease to _____, as Trustee excepting only its obligation to construct the Project.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, the parties hereto agree as follows:

SECTION 1. Definitions.

The terms capitalized in this Agency Agreement shall have the meanings given to them in the Lease and in the Trust Agreement, dated as of February 1, 1993, by and between the City and _____, Mississippi, as Trustee (the "Trust Agreement").

SECTION 2. Appointment.

The Corporation hereby irrevocably appoints the City as its agent in connection with the acquisition, construction, delivery and installation of the Project and related facilities in accordance with the General Construction Contract by and between the City and the Contractor. The City, as the agent of the Corporation for the foregoing purpose, shall cause the acquisition, construction, delivery and installation of the Project and related facilities to be completed in accordance with the Lease and any applicable requirements of governmental authorities and law.

SECTION 3. Acceptance. EXHIBIT "E"

The City does hereby accept the foregoing appointment as agent of the Corporation for the purposes set forth in Section 2 hereof.

SECTION 4. Change Orders.

The City may approve changes in the plans and specifications of the Project, so long as any such change does not, and all such changes as a whole do not, (i) reduce the value of the Project or substantially alter the nature of the Project, (ii) increase the total cost of the construction and acquisition of the Project to an amount in excess of \$ _____, unless the City contributes or makes available an amount equal to such excess to the General Account of the Construction and Acquisition Fund or (iii) otherwise materially alter the terms and conditions set forth in the Lease. The City shall promptly process and act upon any request for change orders. All changes in plans and specifications shall be approved in writing by the City and shall be deemed part of the plans.

SECTION 5. Payment of Acquisition Costs.

Payment for the costs of constructing and installing the Project and related facilities shall be made from the moneys deposited in the General Account of the Construction and Acquisition Fund which shall be disbursed for this purpose in accordance and upon compliance with Article III of the Trust Agreement.

SECTION 6. Liquidation Damages.

The Corporation and the City as its agent, shall deposit or cause to be deposited in the Contingency Account of the Certificate Fund all liquidation damages received by the Corporation or the City as its agent pursuant to the General Construction Contract.

SECTION 7. Unexpended Moneys.

The City and the Corporation agree that the unexpended moneys remaining in the General Account of the Construction and Acquisition Fund shall, upon payment in full of all costs of constructing and installing the Project, be applied solely in accordance with the provisions of the Trust Agreement.

SECTION 8. Compliance with Laws.

The City will comply with and keep in effect and will cause any contractors to comply with and keep in effect all permits and approvals obtained from any governmental bodies that relate to the lawful construction of the Project. The City will comply and cause any contractors to comply with all applicable laws, regulations,

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orders and requirements of all governmental, judicial or legal authorities having jurisdiction over the Project, and with all recorded restrictions affecting the Project.

SECTION 9. Cooperation with the City.

The Corporation will cooperate at all times with the City in bringing about the timely completion of the Project.

SECTION 10. Indemnification and Hold Harmless Agreement.

The City hereby agrees to indemnify and hold harmless the Corporation and its officers and directors against any and all liabilities which might arise out of or are related to the Property, the Project, or the Certificates, and the City further agrees to defend any indemnified party in any action arising out of or related to the Property, the Project and the Certificates.

SECTION 11. Effective Date.

This Agency Agreement shall become effective as of the date of its execution by the City and the Corporation and shall remain in full force and effect during the term of the Lease, until completion of the construction, acquisition, delivery and installation of the Project as evidenced by the delivery by the City to the Trustee of the Certificate of Completion. All actions of the City taken prior to the effective date of this Agency Agreement with regard to the construction, acquisition, delivery and installation of the Project are hereby ratified and confirmed.

SECTION 12. Execution in Counterparts.

This Agency Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

EXHIBIT "E"

IN WITNESS WHEREOF, the parties hereto have executed this Agency Agreement as of the date first above written.

PETAL PUBLIC IMPROVEMENT
CORPORATION

By: _____
President

ATTEST:

Secretary

CITY OF PETAL, MISSISSIPPI

By: _____
Mayor

ATTEST:

City Clerk

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STATE OF MISSISSIPPI
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named _____ and _____, who acknowledged to me that they are the President and Secretary, respectively, of the PETAL PUBLIC IMPROVEMENT CORPORATION and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the ____ day of _____, 1993.

Notary Public

My Commission Expires:

STATE OF MISSISSIPPI
COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named Jack Gay, Jr. and Priscilla C. Daniel, who acknowledged to me that they are the Mayor and City Clerk, respectively, of the CITY OF PETAL, MISSISSIPPI, and that they signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said City and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the ____ day of _____, 1993.

Notary Public

My Commission Expires:

EXHIBIT "F"

TRUST AGREEMENT

Dated as of February 1, 1993

By and Between

as Trustee

and

THE CITY OF PETAL, MISSISSIPPI

Prepared by:
Crosthwait, Terney, Noble & Allain
401 East Capitol Street, Suite 202
Jackson, Mississippi 39201

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THIS TRUST AGREEMENT dated as of February 1, 1993, by and between _____, a state banking association, as Trustee (the "Trustee"), and the CITY OF PETAL, MISSISSIPPI (the "City"), a political subdivision of the State of Mississippi (the "State");

WITNESSETH

WHEREAS, Petal Public Improvement Corporation, non-profit corporation organized and existing under the laws of the State of Mississippi, (the "Corporation"), and the City have entered into a Ground Lease (the "Ground Lease") dated as of the date hereof, pursuant to which the City agrees to lease certain real property as described therein (the "Property") to the Corporation; and

WHEREAS, the Corporation and the City have entered into a Lease and Option to Purchase (the "Lease") dated as of the date hereof, pursuant to which the City agrees to lease for City purposes the Property and certain public facilities to be constructed on the Property (collectively, the "Project") from the Corporation, and the Corporation agrees to lease the Project to the City, all as authorized by Section 31-8-1 et seq., Mississippi Code of 1972, as amended (the "Act"); and

WHEREAS, the Corporation has transferred all of its right, title and interest (other than its obligation to have the Project constructed and its rights to indemnification and payment or reimbursement for its costs and expenses incurred in connection with the construction of the Project) in and to the Ground Lease and the Lease, including the right to receive certain rental payments due thereunder (the "Base Rental") to the Trustee for the benefit of the owners (the "Owners") of the certificates of participation to be executed and delivered by the Trustee pursuant to this Trust Agreement (the "Certificates"); and

WHEREAS, the Trustee shall execute and deliver the Certificates evidencing proportionate interest in the Lease, including the right to receive Base Rental payable thereunder, and shall undertake such other responsibilities as are assigned to the Trustee pursuant to this Trust Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Trust Agreement do exist, have happened and have been performed in due time, form, and manner as required by law, and the parties hereto are duly authorized to execute and enter into this Trust Agreement;

NOW, THEREFORE, in consideration of the premises, of the acceptance by the Trustee of its duties hereby imposed, and of the purchase and acceptance of the Certificates by the Owners thereof, and to fix and declare the terms and conditions upon which the Certificates are to be executed, delivered, secured and accepted by all persons who shall from time to time be or become Owners

thereof, and to secure the payment of the Certificates and the interest with respect thereto according to their tenor, purport and effect, and to secure the performance and observance of all of the covenants, agreements and conditions contained therein, herein and in the Lease, the City by these presents does hereby grant, bargain, release, convey, assign, transfer and pledge unto the Trustee for the benefit of the Owners all its right, title and interest in and to all amounts on hand from time to time in the funds and accounts established hereunder and any additional property that may from time to time, by delivery or by writing of any kind, be subjected to the lien hereof by the City or by anyone on its behalf, subject only to the provisions of this Trust Agreement and the Lease.

To have and to hold all of the above unto the Trustee and its successors and assigns forever for the equal and ratable benefit of the Owners from time to time of all the Certificates executed and delivered hereunder and Outstanding, without any priority of any one Certificate over any other, upon the trusts and subject to the covenants and conditions hereinafter set forth.

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH:

ARTICLE I

APPOINTMENT OF TRUSTEE; DEFINITIONS

SECTION 1.01. Appointment of Trustee.

_____, Mississippi, is hereby appointed and employed to act solely as set forth herein, to receive, hold and disburse in accordance with the terms hereof the money to be paid to it, to execute and deliver Certificates representing proportionate interests in the Lease, including the Base Rental payable thereunder, to apply and disburse payments received pursuant to the Lease to Owners of such Certificates, and to perform certain other functions, all as hereinafter provided. By executing and delivering this Trust Agreement, the Trustee accepts the duties and obligations provided herein, but only upon the terms and conditions herein set forth.

SECTION 1.02. Definitions.

Unless the context otherwise requires, the terms defined in Section 1 of the Lease shall have the same meanings in this Trust Agreement. In addition, the terms defined in this Section 1.02 shall, for all purposes of this Trust Agreement, have the following respective meanings unless the context otherwise requires:

"Acquisition Costs" means, with respect to the Project and related facilities, the contract price paid or to be paid to or at the direction of the Contractor for the acquisition, construction,

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installation and delivery of the Project and related facilities, in accordance with the General Construction Contract, and includes reimbursement to the City for any payments made to the Contractor by the City prior or subsequent to the execution of the Lease. Acquisition Costs also include the cost of the site of the Project, the costs of site preparation necessary for the construction and installation of the Project and related facilities, costs and expenses incurred in connection with the execution and delivery of the Certificates, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement and the Trust Agreement, and any and all other agreements, instruments, certificates, or other documents issued in connection therewith, any premium with respect to insurance of the Certificates, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, delivery installation and financing of the Project and related facilities.

"Additional Rental" means the amounts referred to as Additional Rental under Section 3.1(b) of the Lease.

"Administrative Expense Fund" means the Administrative Expense Fund established pursuant to Section 3.03 of this Trust Agreement.

"Base Rental Fund" means the Base Rental Fund established pursuant to Section 3.04 of this Trust Agreement.

"Certificate Fund" means the Certificate Fund established pursuant to Section 3.05 of this Trust Agreement.

"Certificate Obligation" means, as of any date of calculation, with respect to any Outstanding Certificate, the principal amount with respect thereto.

"Certificate of Completion" means the notice filed with the Trustee by the City Representative, stating that the Improvements have been substantially completed, but reserving rights of the City against third parties.

"Certificate Register" means the records referred to in Section 2.08 of this Trust Agreement.

"Certificates" means the Certificates of Participation executed and delivered by the Trustee pursuant to this Trust Agreement.

"City Representative" means the Chief Administrative Officer of the City or another official designated by such officer and authorized to act on behalf of the City under or with respect to this Trust Agreement and all other agreements related hereto.

"Closing Date" means _____, 1993, or such later date as may be set by the parties hereto.

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"Code" means the Internal Revenue Code of 1986, as amended.

"Construction and Acquisition Fund" means the Construction and Acquisition Fund established pursuant to Section 3.02 of this Trust Agreement.

"Contingency Account" means the Contingency Account established within the Certificate Fund pursuant to Section 3.05 of this Trust Agreement.

"Contractor" means the contractor or contractors approved by the City for construction of one or more phases or portions of the Project.

"Costs of Issuance" means all of the costs of issuing the Certificates, including, but not limited to, all printing and document preparation expenses in connection with this Trust Agreement, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement, the Certificates, the preliminary official statement and the official statement pertaining to the Certificates and any and all other agreements, instruments, certificates, or other documents issued in connection therewith; rating agency fees; CUSIP Service Bureau charges; market study fees; legal fees and expenses of counsel with respect to the financing of the Project; any computer and other expenses incurred in connection with the Certificates; the initial fees and expenses of the Trustee and any paying agent (including without limitation, origination fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the issuance of the Certificates or the implementation of the financing for the Project.

"Costs of Issuance Account" means the Costs of Issuance Account established within the Construction and Acquisition Fund pursuant to Section 3.02 of this Trust Agreement.

"Excess Earning Fund" means the fund by that name established pursuant to Section 3.07 of this Trust Agreement.

"General Account" means the account established pursuant to Section 3.02 of this Trust Agreement.

"General Construction Contract" means the contract or contracts entered into with the Contractor with respect to the construction, acquisition, delivery or installation of the Project and related facilities.

"Independent Counsel" means an attorney or firm of attorneys of recognized national standing in the field of municipal finance selected by the City.

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"Interest Account" means the Interest Account established within the Certificate Fund pursuant to Section 3.05 of this Trust Agreement.

"Interest Payment Date" means February 1 and August 1 each year, commencing February 1, 1994, until the maturity or earlier redemption date of the Certificates.

"Investment Earnings" means investment earnings received in respect of money on deposit in any fund or account established hereunder.

"Lease" means the Lease and Option to Purchase dated as of the date hereof between the Corporation as lessor and the City as lessee whereby the City leases the Property from the Corporation.

"Lease Year" means the period from Closing Date through January 31, 1994, and thereafter each twelve month period from each February 1 to and including the following January 31, during the Lease Term, beginning with the period ending January 31, 1995.

"Non-arbitrage Certificate" means the Tax and Non-Arbitrage Certificate provided to the City on the date of execution and delivery of the Certificates as set forth in EXHIBIT D hereto.

"Original Purchaser" means _____.

"Outstanding" when used as of any particular time with respect to Certificates, means all Certificates theretofore executed and delivered by the Trustee under this Trust Agreement except:

(1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for payment or repayment of which funds or eligible securities in the necessary amount shall have theretofore been deposited with the Trustee in accordance with Section 10.01 hereof (whether on or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided herein or provision satisfactory to the Trustee shall have been made for the giving of notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to this Trust Agreement.

"Owner" means the registered owner, as indicated in the Certificate Register, of any Certificate.

"Principal Account" means the Principal Account established within the Certificate Fund pursuant to Section 3.05 of this Trust Agreement.

"Project" means, collectively, the Property and the Improvements to be constructed on the Property and equipment to be acquired and installed on the Property with the proceeds of the Certificates.

"Property" means the real property described in EXHIBIT A to the Lease.

"Property Insurance" means the insurance required to be maintained by the City under clauses (1) and (3) of Section 4.4 of the Lease.

"Qualified Investments" means and includes all securities, instruments and the like in which the City is authorized to invest its funds in accordance with applicable State law and the rules and regulations promulgated by the State Treasurer pursuant to Section 31-19-5, Mississippi Code of 1972, as amended.

"Record Date" means the close of business on the fifth (5th) day of the month next preceding an Interest Payment Date.

"Redemption Account" means the Redemption Account established within the Certificate Fund pursuant to Section 3.05 of this Trust Agreement.

"Special Account" means the Special Account established by the Trustee pursuant to Section 3.10 for the purposes described therein.

"Total Maturity Amount" means, with respect to any Outstanding Certificate, the aggregate principal amount thereof.

SECTION 1.03. Rules of Construction.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context otherwise indicates, words importing the singular shall include the plural and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.

SECTION 1.04. Authorization.

Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Trust Agreement, and has taken all actions necessary to authorize the execution and delivery of this Trust Agreement.

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ARTICLE II

CERTIFICATES OF PARTICIPATION

SECTION 2.01. Designation.

The Trustee is hereby authorized and directed by the Corporation and the City to prepare, execute, authenticate and deliver the Certificates in the form set forth in EXHIBIT A hereto in the aggregate principal amount of \$550,000 evidencing undivided fractional interest of the Owners thereof in each of the Base Rental payments to be made by the City under the Lease to the Original Purchaser pursuant to the terms of this Trust Agreement.

SECTION 2.02. Description of Certificates.

The Certificates shall be registered as to both principal and interest; shall be dated February 1, 1993; shall be issued in the 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, payable on February 1 and August 1 of each year, commencing February 1, 1994; and shall mature and become due and payable on February 1 in the years and in the principal amounts as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
1994	\$45,000	—%	1999	\$55,000	—%
1995	45,000	—	2000	60,000	—
1996	45,000	—	2001	60,000	—
1997	50,000	—	2002	65,000	—
1998	55,000	—	2003	70,000	—

Interest with respect to each Certificate shall accrue from the Interest Payment Date next preceding the date of execution thereof, unless (i) it is executed after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed prior to the close of business on the first Record Date, in which event interest with respect thereto shall be payable from February 1, 1993; provided, however, that if at the time of registration of any Certificate interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment.

Interest with respect to any Certificate shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date, such interest to be

paid by check or draft of the Trustee, mailed on the Interest Payment Date to the Owner by first class mail, postage prepaid, at his address as it appears on the Certificate Register. Payments of defaulted interest shall be paid by check or draft to the Owners of the Certificates as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owners of the Certificates not less than ten days prior thereto. Principal and premium, if any, with respect to any Certificate are payable upon surrender thereof at maturity or earlier redemption at the corporate trust office of the Trustee in Mississippi, or at the office of any paying agent. The principal, premium, if any, and interest with respect to the Certificates shall be payable in lawful money of the United States of America.

SECTION 2.03. Form.

The Certificates shall be substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference, with such appropriate variations, omissions, and insertions as are permitted or required by this Trust Agreement.

SECTION 2.04. Execution.

The Certificate shall be executed by and in the name of the Trustee by the manual signature of an authorized signatory of the Trustee.

SECTION 2.05. Transfer and Exchange.

The registration of any Certificate may be transferred upon the Certificate Register upon surrender of such Certificate to the Trustee. Such Certificate shall be endorsed or accompanied by delivery of the written instrument of transfer shown in EXHIBIT A hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Trustee may establish. Upon such registration of transfer, a new Certificate or Certificates, of like tenor and maturity in the same Total Maturity Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The City and the Trustee shall deem and treat the person in whose name any Outstanding Certificate shall be registered upon the Certificate Register as the absolute Owner of such Certificate, whether the principal of or interest with respect to such Certificate shall be overdue or not, for the purpose of receiving payment of principal, premium (if any) and interest with respect to such Certificate and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Certificate to the extent of the sum or sums so paid, and neither the City nor the Trustee shall be affected by any notice to the contrary. The City agrees, to the extent permitted by law, to

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indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, while acting in good faith and without gross negligence or willful default hereunder, in so treating such Owner.

Certificates may be exchanged at the corporate trust office of the Trustee for Certificates of like tenor, maturity and Total Maturity Amount of other authorized denominations. All Certificates surrendered in any such exchange shall thereupon be cancelled by the Trustee. The Trustee may charge the Owner a reasonable sum for each new Certificate executed and delivered upon any exchange and the Trustee may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be required to register the transfer or exchange of any Certificate that has been called or is subject to being called for redemption, during a period beginning at the opening of business fifteen (15) days before any selection of Certificates to be prepaid through the close of business on the applicable payment date, except for the unredeemed portion of any Certificate prepaid only in part.

SECTION 2.06. Certificates Mutilated, Lost, Destroyed or Stolen.

If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of such Certificate, shall execute and deliver a new Certificate of like tenor and denomination in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be cancelled and the Trustee shall deliver a certificate of destruction to the City. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and if such evidence is satisfactory to the Trustee and indemnity satisfactory to the Trustee and the City has been given, the Trustee shall, at the expense of the Owner, execute and deliver a new Certificate of like tenor and denomination in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section 2.06 and of the expenses which may be incurred by the Trustee in carrying out its duties under this Section 2.06. Any Certificate executed and delivered under the provisions of this Section 2.06 in lieu of any Certificate claimed to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Certificates. Notwithstanding any other provision of this Section 2.06, in lieu of delivering a new Certificate in exchange and substitution for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured or is about to mature,

or has been called for redemption, the Trustee may make payment of the principal of or interest with respect to such Certificate.

SECTION 2.07. Execution of Documents and Proof of Ownership.

Any request, direction, consent, revocation of consent or other instrument in writing required or permitted by this Trust Agreement to be signed or executed by Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent shall be sufficient for any purpose of this Trust Agreement (except as otherwise herein provided), if made in the following manner. The fact and date of the execution by any Owner or his attorney or agent of any such instrument, and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in such jurisdictions, that the person signing such instrument acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

SECTION 2.08. Certificate Register.

The Trustee shall keep or cause to be kept at its corporate trust office sufficient records for the registration and registration of transfer of the Certificates, which records shall at all times during regular business hours be open to inspection by the City. Upon presentation for registration of transfer, the Trustee shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Certificates, or cause the same to be registered or cause the registration of the same to be transferred, on such records.

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SECTION 2.09. Nonpresentation of Certificates.

Except as otherwise provided in Section 2.10 hereof, in the event any Certificates shall not be presented for payment when the principal thereof becomes due, if funds sufficient to pay such Certificates shall be held by the Trustee for the benefit of the Owner or Owners thereof, all liability of the City to the Owner or Owners thereof for the payment of the portion of Base Rental corresponding to the principal amount of such Certificates shall forthwith cease and be completely discharged and thereupon it shall be the duty of the Trustee to hold such funds (subject to Section 2.10 hereof), without liability for interest thereon, for the benefit of the Owner or Owners of such Certificates who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on, or with respect to, such Certificates.

SECTION 2.10. Unclaimed Money.

All money which the Trustee shall have received from any source and set aside for the purpose of paying or redeeming any of the Certificates shall be held in trust for the respective Owners of such Certificates, but any money which shall be so set aside or deposited by the Trustee and which shall remain unclaimed by the Owners of such Certificates for a period of one year after the date on which any payment or redemption with respect to such Certificates shall have become due and payable shall be paid to the City; provided, however, that the Trustee, before making any such payment, shall at the expense of the City cause notice to be mailed to the Owners of such Certificates, by first-class mail, postage prepaid at their address as shown on the Certificate Register. During any period in which the Trustee holds such unclaimed money, the Trustee shall not be required to invest such money. Thereafter, the Owners of such Certificates shall look only to the City for payment and then only to the extent of the amount so received without any interest thereon, and the Trustee shall have no responsibility with respect to such money.

ARTICLE III

FUNDS AND ACCOUNTS

SECTION 3.01. Application of Proceeds of Sale of the Certificates.

Upon the receipt of payment for the Certificates when the same shall be sold to the Original Purchaser or purchasers thereof, the proceeds of such sale shall be paid to the Trustee and deposited as follows:

1. The Trustee shall deposit into the Interest Account of the Certificate fund the sum representing accrued interest, if any,

paid by the Original Purchaser or purchasers of the Certificates plus any premium, if applicable, paid for the Certificates.

2. The Trustee shall deposit into the Costs of Issuance Account of the Construction and Acquisition Fund the sum of \$_____.

3. The Trustee shall deposit into the Administrative Expense Fund the sum of \$_____.

4. The Trustee shall deposit the sum of \$_____ into the General Account of the Construction and Acquisition Fund.

5. The Trustee shall deposit the sum of \$_____ into the Contingency Account of the Certificate Fund.

SECTION 3.02. Establishment and Application of Construction and Acquisition Fund.

There is hereby established in trust a special fund designated the "Construction and Acquisition Fund," which shall be held by the Trustee and which shall be kept separate and apart from all other funds and money held by the Trustee. Money in the Construction and Acquisition Fund shall be expended for the payment of Acquisition Costs. The Trustee shall administer such fund and the accounts thereof as provided in this Article III. Within the Construction and Acquisition Fund, the Trustee shall establish a Costs of Issuance Account and a General Account.

(a) Costs of Issuance Account. There shall be deposited in the Costs of Issuance Account in the Construction and Acquisition Fund that portion of the proceeds of the Certificates required to be deposited pursuant to Section 3.01 hereof. The Trustee shall disburse money from the Costs of Issuance Account on the Closing Date and in such amounts as are necessary to pay Costs of Issuance, in each case in accordance with a payment request form in the form attached hereto as EXHIBIT B together with invoices therefor. Any amounts remaining in the Cost of Issuance Account on the earlier of the date on which the City has notified the Trustee in writing that all Costs of Issuance have been paid or one year after the Closing Date shall be transferred to the General Account in the Construction and Acquisition Fund.

(b) General Account. There shall be deposited in the General Account in the Construction and Acquisition Fund that portion of the proceeds of the Certificates required to be deposited pursuant to Section 3.01 hereof, and any money received by the Trustee as payment under any performance or labor and material bond given by the Contractor for the Project, or as proceeds under any builders all-risk insurance provided with respect to the Project. The Trustee shall from time to time, disburse money from the General Account in the Construction and Acquisition Fund to pay Acquisition

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Costs, as hereinafter provided, in each case promptly after receipt of a written request of a City Representative in the form attached hereto as EXHIBIT C together with American Institute of Architects' Form G702.

In making such payments, the Trustee may rely upon the representations made in such written request. If for any reason the City should decide prior to the payment of any item in said written request not to pay such item, then it shall give written notice of such decision to the Trustee and thereupon the Trustee shall not make such payment, and the Trustee shall have no liability to the City or the designated payee as a result of such nonpayment.

In no event shall the Trustee be responsible for the improper use of money properly disbursed pursuant to requests made under this Section.

If, after payment by the Trustee of all written requests theretofore tendered to the Trustee under the provisions of this Section, and delivery to the Trustee of the Certificate of Completion, there shall remain any balance of money in the General Account of the Construction and Acquisition Fund, all moneys so remaining shall be transferred, first, in integral multiples of \$5,000, to the Redemption Account in the Certificate Fund with any remaining balance less than \$5,000 being transferred to the Interest Account of the Certificate Fund.

SECTION 3.03. Establishment and Application of Administrative Expense Fund.

There is hereby established in trust a special fund designated the "Administrative Expense Fund," which shall be held by the Trustee and which shall be kept separate and apart from all other funds and money held by the Trustee. There shall be deposited in the Administrative Expense Fund all amounts required to be deposited therein pursuant to this Article III. The City shall not be required to make any deposit into the Administrative Expense Fund for any purpose unless the balance falls below the required balance for the Administrative Expense Fund. The Trustee shall administer such fund as provided in this Article III. The Administrative Expense Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease, or until such earlier date as there are no Certificates Outstanding.

The Trustee shall, to the extent of money available therein, disburse money from the Administrative Expense Fund on such dates and in such amounts as are necessary to pay all expenses of the Corporation or the City (not otherwise paid or provided for out of the proceeds of the sale of Certificates) incidental to the execution and delivery of the Certificates, including but without

limiting the generality of the foregoing, salaries, wages, expenses, fees and charges of auditors, accountants, architects, attorneys and engineers, and all other necessary administrative charges of the Corporation or the City or charges required to be paid by either of them in order to comply with the terms of the Certificates or of this Trust Agreement, in each case, in accordance with a payment request in the form attached hereto as EXHIBIT B.

SECTION 3.04. Establishment and Application of Base Rental Fund.

There is hereby established in trust a special fund designated the "Base Rental Fund," which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. The Trustee shall administer such fund as provided in this Article III. The Base Rental Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease, or until such earlier date as there are no Certificates Outstanding. With the exception of delinquent Base Rental payments, all Base Rental payments received by the Trustee shall be deposited in the Base Rental Fund.

The Trustee shall transfer on each Interest Payment Date from the Base Rental Fund to the following accounts the following amounts: (i) to the Interest Account in the Certificate Fund, an amount which, together with money on deposit therein, equals the interest then due on such Interest Payment Date with respect to the Certificates in accordance with the terms of this Trust Agreement, and (ii) to the Principal Account in the Certificate Fund, an amount which, together with money on deposit therein, equals the principal then due or required to be prepaid on such Interest Payment Date with respect to the Certificates. Any amounts remaining in the Base Rental Fund on _____ of each year after the foregoing transfers have been made shall be remitted to the City.

SECTION 3.05. Establishment and Application of Certificate Fund.

There is hereby established in trust a special fund designated the "Certificate Fund" which shall be held by the Trustee and which shall be kept separate and apart from all other funds and moneys held by the Trustee. The Trustee shall administer such fund as provided in this Article III. The Certificate Fund shall be maintained by the Trustee until all required Base Rental is paid in full pursuant to the terms of the Lease, or until such earlier date as there are no Certificates outstanding. Within the Certificate Fund, the Trustee shall establish the following accounts:

- (a) Interest Account;

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- (b) Principal Account;
- (c) Redemption Account; and
- (d) Contingency Account.

There shall be deposited in the Interest Account that portion of the proceeds of the Certificates required to be deposited therein pursuant to Section 3.01 hereof. Monies transferred to the Interest Account and the Principal Account pursuant to Section 3.04 hereof shall be applied by the Trustee to the payment of interest and principal (and premium, if any) due and payable with respect to the Certificates on any Interest Payment Date.

Any delinquent Base Rental payments, any proceeds of rental interruption insurance and any liquidated damages with respect to the Project received by the Trustee shall be deposited in the Contingency Account. Amounts on deposit in the Contingency Account shall be transferred by the Trustee first, to the Interest Account for immediate payment of interest payments past due, second, to the Principal Account for the immediate payment of principal payments past due according to the tenor of any Certificate. Any amounts remaining in the Contingency Account after the foregoing transfers have been made shall be transferred to the Redemption Account.

Any proceeds of Property Insurance or awards in respect of a taking under the power of eminent domain not required to be used for repair, reconstruction or replacement of the Project, and any other amounts provided for the redemption prior to maturity of Certificates in accordance with Sections 3.10 hereof shall be deposited by the Trustee in the Redemption Account in the Certificate Fund. On the scheduled redemption date, the Trustee shall withdraw from the Redemption Account and pay to the Owners entitled thereto the redemption price of the Certificates redeemed prior to maturity on such date.

SECTION 3.06. [RESERVED]**SECTION 3.07. Establishment and Application of Excess Earnings Fund.**

There is hereby established in trust a special fund designated the "Excess Earnings Fund" which shall be held by the Trustee and which shall be kept separate and apart from all other funds and accounts held by the Trustee. The Trustee shall administer the

Excess Earnings Fund as provided in this Article III. The Trustee shall deposit monies in the Excess Earnings Fund pursuant to this written instructions from the City. The City shall make this instruction in accordance with the provisions of the Non-Arbitrage Certificate. Except as set forth in the following sentence, amounts in the Excess Earnings Fund shall only be applied to payments made to the United States, to the extent that such payments are required pursuant to the provisions of the Non-Arbitrage Certificate.

The Trustee shall, upon request and direction from the City, transfer to or upon the order of the City any amounts on deposit in the Excess Earnings Fund in excess of the amount, if any, required to be maintained or held therein in accordance with the provisions of the Non-Arbitrage Certificate.

SECTION 3.08. Surplus.

After payment of all amounts due with respect to the Certificates and payment of all fees and expenses to the Trustee, or satisfactory provision for such payments having been made, any amounts remaining in any of the funds or accounts established hereunder and not required for such purposes shall be remitted to the City and used for any lawful purpose thereof.

SECTION 3.09. Additional Rental.

In the event the Trustee receives Additional Rental pursuant to the Lease, such Additional Rental shall be applied by the Trustee solely to the payment of any costs in respect of which such Additional Rental was received, and shall not be commingled in any way with any other funds received by the Trustee pursuant to the Lease or this Trust Agreement.

SECTION 3.10. Repair or Replacement; Application of Property Insurance Proceeds and Condemnation Awards.

If the Project shall be damaged, destroyed, or shall be taken by eminent domain proceedings, the City shall continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the City elects not to repair or replace the Project in accordance with the provisions of this Section 3.10.

The proceeds of any Property Insurance, including the proceeds of any self-insurance fund, and the proceeds of any condemnation award, received on account of any damage, destruction or taking of the Project shall be held by the Trustee in an account (the "Special Account") and made available for, and to the extent necessary be applied to, the cost of repair or replacement upon the submission of a payment request together with proper supporting documentation. Pending such application, such proceeds may be

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invested by the Trustee, as directed by the City, in Qualified Investments that mature not later than such times as monies are expected to be needed to pay such costs of repair or replacement.

Notwithstanding the foregoing, the City shall notify in writing the Trustee within 90 days of the receipt by the Trustee of Property Insurance or condemnation proceeds, whether the City intends to replace or repair the portion of the Project with respect to which such proceeds were received. If the City elects to replace or repair such portion of the Project, the City shall promptly deposit with the Trustee the full amount of any insurance deductible to be credited to the Special Account. The City shall replace or repair such portion of the Project as required in the Lease, unless (i) it deposits the full amount of any insurance deductible necessary, together with the proceeds of Property Insurance, to redeem prior to maturity the Certificates relating to such portion of the Project and (ii) the Base Rental with respect to the remaining portion of the Project is sufficient to pay the Certificate Obligation and interest due with respect to the Certificates to remain Outstanding after the date on which Certificates relating to such portion of the Project are redeemed prior to maturity. The proceeds of any Property Insurance, including the proceeds of any self-insurance fund or the proceeds of any condemnation award, not applied to repairing or replacing damaged, destroyed or taken property, or in respect of which notice in writing by the City of its intention to apply the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been given to the Trustee within 90 days after receipt of such proceeds by the Trustee, or which the City shall at any time during such period have notified the Trustee are not to be so applied, shall forthwith be deposited into the Redemption Account and applied to the redemption prior to maturity of Certificates in accordance with Article IV hereof.

SECTION 3.11. Title Insurance.

Proceeds of any policy of title insurance received by the Trustee in respect of the Project shall be applied and disbursed by the Trustee as follows:

(a) If the City determines that the title defect giving rise to such proceeds has not materially affected the operation of the Project, upon the written instructions from the City, such proceeds shall be remitted to the City.

(b) If the City determines that any portion of the Project has been materially affected by such title defect, then the Trustee at the direction of the City, shall immediately deposit such proceeds in the Redemption Account of the Certificate Fund and such proceeds shall be applied to the redemption prior to maturity of Certificates in the manner provided herein.

SECTION 3.12. Application of Payments After Default by City.

All damages or other payments received by the Trustee for the enforcement of any rights and powers of the Trustee under such Section 12 of the Lease, shall be held and applied in accordance with Section 8.09 hereof.

SECTION 3.13. Held in Trust.

The money and investments held by the Trustee hereunder are irrevocably held in trust for the purposes herein specified, and such money, and any income or interest earned thereon, shall be expended only as provided herein, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of (i) the Corporation, (ii) the City, (iii) the Trustee or (iv) any Owner of Certificates.

SECTION 3.14. Investments Authorized.

Money held by the Trustee in any fund or account hereunder shall be invested by the Trustee in Qualified Investments upon the written request (or the oral request confirmed in writing) of the City, shall be registered in the name of the Trustee where applicable, as Trustee, and shall be held by the Trustee. If the City shall fail to provide the Trustee direction with respect to any monies subject to investment, the Trustee shall, nevertheless, invest such monies in Qualified Investments. The Trustee may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. The Trustee may act as agent in the making or disposing of any investment. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section. The Trustee may make any investments through the investment department of the Trustee, utilizing Certificates of Deposit and Repurchase Agreements of the Trustee.

SECTION 3.15. Reports.

The Trustee shall furnish monthly to the City a report of all investments made by the Trustee and of all amounts on deposit in each fund and account maintained hereunder.

SECTION 3.16. Valuation and Disposition of Investments.

For the purpose of determining the amount in any fund or account hereunder, all Qualified Investments shall annually on January 31 be valued at the lower of the amortized cost of such investments (exclusive of accrued interest) or the market value thereof. The Trustee may sell at the best price obtainable, or present for redemption, any Qualified Investment so purchased by the Trustee whenever it shall be necessary in order to provide monies to meet any required payment, transfer, withdrawal or

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disbursement from any fund or account hereunder, and the Trustee shall not be liable or responsible for any loss resulting from such investment or sale.

SECTION 3.17. Application of Investment Earnings.

Until such time as the Trustee shall have received the Certificate of Completion, investment earnings received in respect of money on deposit in the General Account of the Construction and Acquisition Fund shall be deposited in or shall remain in the General Account of the Construction and Acquisition Fund. All other investment earnings, and after the Trustee has received the Certificate of Completion, all investment earnings shall be deposited into the following funds and accounts in the order of priority indicated: (i) the Administrative Expense Fund to the extent that the amount therein is less than \$_____, (ii) the Interest Account in the Certificate Fund to the extent necessary to make the total amount on deposit therein equal to the amount of the interest component of the next succeeding Base Rental payment, and (iii) the Principal Account in the Certificate Fund to the extent necessary to make the total amount on deposit therein equal to the amount of the principal component, if any, of the next succeeding Base Rental payment. Any amounts not required to be so deposited shall be remitted to the City.

SECTION 3.18. No Federal Guarantee of Investment of Monies in Funds or Accounts.

Notwithstanding any other provision of this Trust Agreement, all money held by the Trustee in any of the funds or accounts established pursuant to this Trust Agreement, other than money on deposit in the Base Rental Fund and the Certificate Fund shall be invested solely in investments as may be permitted under the regulations issued pursuant to Section 149(b) of the Code, unless, in the opinion of Independent Counsel, another investment of such funds will not impair the exclusion of the interest component, with respect to any payment of Base Rental, from gross income for federal income tax purposes or its exemption from Mississippi personal income taxation.

ARTICLE IV

REDEMPTION PRIOR TO MATURITY

SECTION 4.01. Redemption.

The Certificates shall be subject to redemption prior to their stated maturity only as set forth below:

(a) Certificates maturing on February 1, 1999, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of

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maturity and by lot within a maturity on February 1, 1998, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

(b) The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium from the net proceeds deposited by the Trustee into the Redemption Account in the Certificate Fund, pursuant to Sections 3.10, 3.11 and 8.09 hereof.

(c) The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium, from monies transferred to the Redemption Account within the Certificate Fund from the General Account of the Construction and Acquisition Fund after delivery to the Trustee of the Certificate of Completion.

SECTION 4.02. [RESERVED]

SECTION 4.03. Notice of Redemption.

Notice of redemption identifying the numbers of Certificates or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption.

SECTION 4.04. [RESERVED]

SECTION 4.05. Effect of Notice of Redemption.

Notice having been given as aforesaid, and the monies for the redemption (including the interest to the applicable date of redemption) having been set aside in the Certificate Fund, the Certificates to be redeemed shall become due and payable on such date of redemption.

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If on such redemption date money for the redemption of all the Certificates to be redeemed, together with interest to such redemption date, shall be held by the Trustee so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date interest with respect to the Certificates to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Trustee for the redemption of Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed.

All Certificates paid at maturity or redeemed prior to maturity pursuant to the provisions of this Article shall be cancelled upon surrender thereof and delivered to or upon the order of the City. All or any portion of a Certificate purchased by the City shall be cancelled by the Trustee.

SECTION 4.06. [RESERVED].

ARTICLE V

THE TRUSTEE AND PAYING AGENTS

SECTION 5.01. Compensation of Trustee.

Subject to the terms of any compensation agreement, the City shall from time to time, on demand, pay to the Trustee reasonable compensation for its services and shall reimburse the Trustee for all its advances and expenditures, including but not limited to advances to and fees and expenses of independent appraisers, accountants, consultants, counsel, agents and attorneys-at-law or other experts employed by it in the exercise and performance of its powers and duties hereunder. To the extent permitted by law, compensation and reimbursement to the Trustee shall not be limited by any statutory provisions which limit compensation to Trustees of express trusts.

SECTION 5.02. Removal of Trustee.

The City may at any time for good cause shown and upon thirty days notice, or the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding may by written request at any time and for any reason, remove the Trustee and any successor thereto, and shall thereupon appoint a successor or successors thereto, but any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000 and shall be subject to supervision

or examination by a federal or state banking authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus set forth in its most recent report of condition so published. Any removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

SECTION 5.03. Resignation of Trustee.

The Trustee or any successor may at any time resign by giving written notice to the City and by giving mailed notice to the Owners of its intention to resign and of the proposed date of resignation, which shall be a date not less than 90 days after mailing of such notice, unless an earlier resignation date and the appointment of a successor Trustee shall have been or are approved by the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding.

Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing; provided, however, that in the event the City fails to appoint a successor Trustee within 30 days following receipt of such written notice of resignation, the resigning Trustee may petition the appropriate court having jurisdiction to appoint a successor Trustee. Any resignation of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

Any successor Trustee approved by the City or any court shall satisfy the qualifications set forth in Section 5.02 hereof.

SECTION 5.04. Merger or Consolidation.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business (provided such company is eligible under Section 5.02), shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

SECTION 5.05. Protection and Rights of the Trustee.

The Trustee shall be protected and shall incur no liability in acting upon or processing in good faith any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been

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prepared and furnished pursuant to any of the provisions of this Trust Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee may consult with counsel, who may or may not be counsel to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith reliance thereon.

The Trustee shall not be liable for any error in judgment made in good faith by a responsible officer of the Trustee, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the written direction of the Owners of not less than a majority in aggregate amount of the Certificate Obligation at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or relating to the exercise of any trust or power conferred upon the Trustee under this Trust Agreement.

Whenever in the administration of its duties under this Trust Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by a certificate of the City Representative and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Trust Agreement in good faith reliance thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

The Trustee may become the Owner of Certificates with the same rights it would have if it were not Trustee; may acquire and dispose of Certificates or other evidences of indebtedness of the City and enforce its rights as Owner thereof to the same extent as if it were not Trustee; and may act as a depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding.

The recitals, statements and representations by the City contained in this Trust Agreement or in the Certificates shall be taken and construed as made by and on the part of the City and not

by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any such recital, statement or representation.

No provision in this Trust Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of any of the duties hereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not assured to it.

SECTION 5.06. Trustee to Act as Set Forth Herein.

The Trustee has the power to receive, to hold in accordance with the terms hereof and to disburse the money to be paid pursuant to the Lease and this Trust Agreement. The Trustee has no power to vary, alter or substitute the Lease or the corpus of any trust created hereby or pursuant to the Lease or this Trust Agreement at any time, except as specifically authorized herein.

SECTION 5.07. Paying Agents.

The Trustee is hereby appointed as paying agent for the Certificates. The Trustee, upon written consent of the City, may appoint such other paying agents with respect to the Certificates as it may deem advisable. Any paying agent appointed shall be a bank or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000 and shall be subject to supervision by a federal or state banking authority.

ARTICLE VI

AMENDMENTS

SECTION 6.01. Amendments to Trust Agreement.

This Trust Agreement may be amended in writing by agreement between the parties, but no such amendment shall become effective as to the Owners of Certificates then Outstanding unless and until approved in writing by the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding. Notwithstanding the foregoing, this Trust Agreement and the rights and obligations provided hereby may also be modified or amended at any time without the consent of any Owners of the Certificates, upon the written agreement of the City and the Trustee, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting or supplementing any defective provision contained in this Trust Agreement, (2) in regard to questions arising under this Trust Agreement which the City and the Trustee may deem necessary or desirable and not inconsistent with this Trust Agreement and which shall not adversely affect the interests of the Owners of the Certificates, or (3) for any other reason, provided such

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modification or amendment does not adversely affect the interests of the Owners of the Certificates; provided that the City and the Trustee may rely in entering into any such amendment or modification hereof upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification. No amendment shall impair the right of any Owner to receive such Owner's proportionate share of Base Rental in accordance with the terms of his Certificate.

SECTION 6.02. Amendments to Lease.

The Lease may be amended in writing by agreement between the parties thereto, with the consent of the Trustee, but no such amendment shall become effective as to the Owners of Certificates then Outstanding unless and until approved in writing by the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding. Notwithstanding the foregoing, the Lease and the rights and obligations provided thereby may also be modified or amended at any time with the consent of the Trustee but without the consent of any Owners of the Certificates, upon the written agreement of the City and the Corporation, but only (1) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting or supplementing any defective provision contained in the Lease, (2) in regard to questions arising under the Lease which the City and the Corporation may deem necessary or desirable and not inconsistent with the Lease and which shall not adversely affect the interests of the Owners of the Certificates, or (3) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Certificates or impose additional duties, responsibilities or liabilities upon the Trustee; provided that the City, the Corporation and the Trustee may rely in entering into any such amendment or modification thereof upon the opinion of Independent Counsel stating that the requirements of this sentence have been met with respect to such amendment or modification.

SECTION 6.03. Consent of Owners.

If the City shall desire to obtain any consent in writing of Owners, the Board of Supervisors may, by resolution, propose the amendment to which consent is desired. A copy of such resolution, together with a request to Owners for their consent to the amendment proposed therein, shall be mailed, first class, postage paid, to each registered Owner at such Owner's address as it appears on the Certificate Register.

The lack of actual receipt by any Owner of such resolution and request for consent and any defects in such resolution and request for consent shall not affect the validity of the proceedings for the obtaining of such consent on a certificate by the Clerk of the Board, approved by resolution of the Board of Supervisors, that

said resolution and request for consent have been delivered as herein provided shall be conclusive as against all parties.

Any such written consent shall be binding upon the Owner giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or by the subsequent Owner. To be effective, any revocation of consent must be filed at the address provided in the request for consent before the adoption of the resolution accepting consents as hereinafter provided.

After the Owners of at least a majority in aggregate amount of the Certificate Obligation then Outstanding shall have consented in writing, the Board of Supervisors shall adopt a resolution accepting such consents and such resolution shall constitute complete evidence of the consent of Owners under this Section.

Notice specifying the amendment that has received the consent of Owners as required by this Section shall be mailed, first class, postage prepaid, not more than 60 days following the final action in the proceedings for the obtaining of such consent, to each registered Owner at such Owner's address as it appears on the Certificate Register. Said notice is only for the information of Owners, and failure to mail such notice or any defect therein shall not affect the validity of the proceedings theretofore taken in the obtaining of such consent.

ARTICLE VII

COVENANTS; NOTICES

SECTION 7.01. City to Perform Pursuant to Lease.

The City covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease.

SECTION 7.02. Extension of Payment of Certificates.

The City shall not directly or indirectly extend the dates upon which the Base Rental payments are required to be paid or prepaid, or the time of payment of interest with respect thereto. Nothing herein shall be deemed to limit the right of the City to issue any securities for the purpose of providing funds for the redemption prior to maturity of the Certificates and such issuance shall not be deemed to constitute an extension of the maturity of the Certificates.

SECTION 7.03. [RESERVED].

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SECTION 7.04. Access to Books and Records.

The Trustee shall at all times have access to those books and records of the City which may be reasonably required by the Trustee to fulfill its duties and obligations hereunder.

SECTION 7.05. General.

The City shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under the provisions of this Trust Agreement.

The City warrants that upon the date of execution and delivery of any of the Certificates, all conditions, acts and things required by law and this Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and delivery of such Certificates do exist, have happened and have been performed and the execution and delivery of such Certificates shall comply in all respects with the applicable laws of the State of Mississippi.

SECTION 7.06. Tax Matters.

In order to maintain the exclusion from gross income for federal income tax purposes of the portion of Base Rental designated as and comprising interest on the Certificates, the City covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, in that the City agrees to comply with the covenants contained in, and the instructions given pursuant to, the Non-Arbitrage Certificate provided to the City by Special Counsel, as a source of guidance for compliance with such provisions. The Trustee hereby agrees to comply with any specific instructions received from the City which the City indicates must be followed in order to comply with the Non-Arbitrage Certificate.

Notwithstanding any other provision of this Trust Agreement to the contrary, upon the City's failure to observe, or refusal to comply with, the foregoing covenant, the Trustee may, or if so directed by the Owners of a majority of the Certificates, shall exercise any right or remedy provided to the above Owners under this Trust Agreement on the basis of the City's failure to observe, or refusal to comply with, the covenant.

SECTION 7.07. Performance.

The City shall faithfully observe all covenants and other provisions contained in this Trust Agreement, in each Certificate executed and delivered hereunder, and in the Lease. Except as provided in the Lease, the City shall not agree to any amendment to the Lease that would either lengthen the term thereof or reduce the amount of Base Rental or Additional Rental payable thereunder, or change the time or times of payment of such Base Rental or Additional Rental, or agree to any other amendment detrimental to the rights of the Owners.

SECTION 7.08. Prosecution and Defense of Suits.

The City shall promptly take such action as may be necessary to cure any defect in the title to the Project or any part thereof, whether now existing or hereafter occurring, and shall prosecute and defend all such suits, actions and all other proceedings as may be appropriate for such purpose. The City covenants that it will diligently pursue eminent domain proceedings as may be necessary to acquire the Property.

SECTION 7.09. Further Assurances.

The City will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Trust Agreement, and for the better assuring and confirming to the Owners of the Certificates the rights and benefits provided herein.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01. Events of Default Defined.

The following shall be "events of default" under this Trust Agreement and the terms "events of default" and "default" shall mean, whenever they are used in this Trust Agreement, any one or more of the following events:

(a) An event of default as set forth in Section 12(a)(1) or 12(a)(ii) of the Lease.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Trustee or to the City and the Trustee by the

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Owners of not less than a majority in aggregate amount of Certificate Obligation then Outstanding; provided, however, that if the failure stated in the notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the City within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interest of any Owner.

SECTION 8.02. Notice of Events of Default.

In the event the City is in default, the Trustee shall give notice of such event of default to the Owners of the Certificates. Such notice shall state that the City is in default and shall provide a brief description of such default. The Trustee in its discretion may withhold notice if it deems it in the best interests of the Certificate Owners. The notice provided for in this Section shall be given by mail to the Owners within 30 days of the Trustee's knowledge of such occurrence of an event of default.

SECTION 8.03. Remedies on Default.

Upon the occurrence and continuance of any event of default specified in Section 8.01(a) of this Trust Agreement, the Trustee shall proceed, or upon the occurrence and continuance of any other event of default hereunder, the Trustee may proceed (and upon written request of the Owners of not less than a majority in aggregate amount of Certificate Obligation then Outstanding, subject to the last sentence of the Section, shall proceed), to exercise the remedies set forth in Section 12 of the Lease or available to the Trustee hereunder. The Trustee shall receive reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby.

SECTION 8.04. Collection of Base Rental Payments.

The Trustee shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding and unpaid, and upon being satisfactorily indemnified against any expense and liability with respect thereto and receiving payment for its fees and expenses.

SECTION 8.05. No Remedy Exclusive.

No remedy hereby conferred upon or reserved to the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Trust Agreement and the Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right or power may be exercised from time to

time and as often as may be deemed appropriate. In order to entitle the Trustee or the Owners to exercise any remedy reserved to it or them, it shall not be necessary to give any notice other than such notice as may be required in this Article VIII or by law.

SECTION 8.06. No Additional Waiver Implied by One Waiver.

In the event any provision contained in this Trust Agreement should be breached by a party and thereafter waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 8.07. Action by Owners.

In the event the Trustee fails to take any action to eliminate an event of default under Section 12 of the Lease or hereunder, the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Lease or this Trust Agreement, but only if such Certificate Owners shall have first made written request of the Trustee after the right to exercise such powers or right of action shall have arisen, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted therein or otherwise granted by law or to institute such action, suit or proceeding in its name, and unless, also, the Trustee shall have received reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

SECTION 8.08. Opinion of Counsel.

Before being required to take any action pursuant to his Article VIII, the Trustee may require: (a) an opinion of counsel acceptable to the Trustee, which opinion shall be made available to the City upon request, which counsel may or may not be counsel to the City or Independent Counsel, or (b) a certificate of the City, or both, concerning the proposed action. The Trustee shall be absolutely protected in reasonably relying upon such opinion and/or certificate.

SECTION 8.09. Application of Proceeds in Event of Default.

Except to the extent necessary to compensate the Trustee for its reasonable fees and expenses (including reasonable attorneys' fees and expenses), all damages or other payments received by the Trustee from the enforcement of any rights and powers of the Trustee under Section 12 of the Lease or under this Trust Agreement, shall be deposited by the Trustee into the Contingency Account in the Certificate Fund and after payment of overdue interest and principal with respect to the Certificates, if any,

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the balance shall be transferred to the Redemption Account in the Certificate Fund and as soon as practicable thereafter applied to the redemption prior to maturity of Certificates in accordance with the provisions of Section 4.01 (b) hereof.

ARTICLE IX

LIMITATION OF LIABILITY

SECTION 9.01. No Liability of City for Trustee Performance.

The City shall not have any obligation or liability to any other party or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Trust Agreement, including the distribution by the Trustee of principal and interest to the Owners of the Certificates.

SECTION 9.02. No Liability of Trustee for Base Rental Payments by City.

Except as provided herein, the Trustee shall have no obligation or liability to the Owners of the Certificates with respect to the payment of the Base Rental by the City when due, or with respect to the performance by the City of any other covenant made by it in the Lease.

SECTION 9.03. No liability of City Except as Stated.

Except for (i) the payment of Base Rental and Additional Rental when due in accordance with the terms of the Lease, subject to the provisions of Section 3.3 thereof, and (ii) the performance by the City of its obligations and duties as set forth in the Lease, the Ground Lease, the Certificates and in this Trust Agreement, the City shall have no obligation or liability to the Trustee or the Owners of the Certificates.

SECTION 9.04. Limited Liability of Trustee.

The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment quality of the Certificates, for the sufficiency or collection of any Base Rental or for the actions or representations of any other party to this Trust Agreement. The Trustee shall have no obligation or liability to any other party or to the Owners with respect to the failure or refusal of any other party to perform any covenant or agreement made by such other party under this Trust Agreement or the Lease, but shall be responsible solely for the performance of the duties expressly imposed upon the Trustee hereunder. The recitals of facts, covenants and agreements contained herein and in the Certificates shall be taken as statements, covenants and agreements of the City and the Trustee and the Trustee assumes no responsibility for the correctness of the same and makes

no representation as to the validity or sufficiency of this Trust Agreement, the Lease, the Assignment Agreement, or the Certificates, or as to the value or title to the Project, and shall not incur any responsibility in respect thereof, other than in connection with the duties or obligations herein assigned to or imposed upon the Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own gross negligence or willful default.

SECTION 9.05. Indemnification.

To the extent permitted by law, the City hereby agrees to indemnify and save the Trustee harmless from and against all claims, suits and actions brought against the Trustee, or to which the Trustee is made a party, and from all losses and damages suffered by the Trustee as a result thereof, where and to the extent such claim, suit or action arises out of the actions of any other party to this Trust Agreement or the Lease, including but not limited to the ownership, operation or use of the Project. Such indemnification shall not extend to judgments or settlements obtained against the Trustee and expenses of litigation in connection therewith based upon failure by the Trustee to perform and carry out the duties specifically imposed upon and to be performed by it pursuant to this Trust Agreement; provided, however, that this sentence shall not override the standard of performance set forth in Section 9.04 hereof. In the event the City is required to indemnify the Trustee as is herein provided, the City shall be subrogated to the rights of the Trustee to recover such losses or damages from any other person or entity.

SECTION 9.06. Limitation of Rights.

Nothing in this Trust Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the City, the Trustee and the Owners of the Certificates any legal or equitable right, remedy or claim under or in respect of this Trust Agreement or any covenant, condition or provision hereof; and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the City, the Trustee and such Owners.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Defeasance.

If all Outstanding Certificates executed and delivered with respect to the Project shall be paid and discharged in any one or more of the following ways:

EXHIBIT "F"

(1) by well and truly paying or causing to be paid the principal and interest with respect to all such Certificates Outstanding, as and when the same become due and payable;

(2) by the deposit by the City with the Trustee, in trust, at or before maturity, cash which, together with the amounts then on deposit in the Certificate Fund without the need for further investment, is fully sufficient to pay all such Certificates Outstanding, including all principal, premium (if any will be incurred) and interest at or, in the event of redemption prior to maturity thereof, before their respective maturity dates, notwithstanding that any Certificates shall not have been surrendered for payment; or

(3) by depositing with the Trustee, in trust, lawful money or direct obligations issued by the United States Treasury; or in such other federal securities as may be permitted under regulations issued pursuant to Section 149(b) of the Code which, in the opinion of nationally recognized bond counsel, will not impair the exclusion, if any exists, from gross income for federal income tax purposes of interest due with respect to the Certificates; in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all or such portion of the Certificates (including all principal and interest) upon maturity or redemption prior to maturity thereof, notwithstanding that any Certificates shall not have been surrendered for payment; and provided there has been deposited with the Trustee funds sufficient to pay all Trustee fees and expenses; then, provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided herein or provisions satisfactory to the Trustee shall have been made for the giving of such notice, all obligations of the Trustee and the City under this Trust Agreement with respect to all such Outstanding Certificates shall cease and terminate, except only the obligation of the Trustee to pay or cause to be paid from the amounts deposited with it to the Owners of the Certificates all sums due thereon and the obligation of the City to pay to the Trustee the amounts owing to the Trustee under Section 5.01 hereof.

Any funds held by the Trustee relating solely to such defeased Certificates at the time of one of the events described above or following any payments to Owners described above, which are not required for payment to Owners, or for payment to be made to the Trustee by the City, shall be paid over to the City.

SECTION 10.02. Records.

Prior to the full payment of principal and interest due with respect to the Certificates, the Trustee shall keep complete and accurate records of all monies received and disbursed under this Trust Agreement, which records shall be available for inspection by

the City and by any Owner, or the agent of any of them, at any time during regular business hours.

SECTION 10.03. Notices.

Except as otherwise provided in this Trust Agreement, all notices under this Trust Agreement by any party shall be in writing and shall be sufficiently given and served if delivered by hand directly to the offices named below or sent by United States first class mail postage prepaid and addressed as follows:

(a) if to the City, to the City Clerk, City of Petal, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465.

(b) if to the Trustee, to _____, _____, Attention Corporate Trust Division.

(c) if to the Corporation, to Petal Public Improvement Corporation, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465, Attention: President.

(d) if to any Certificate Owner, to his address as indicated in the Certificate Register.

SECTION 10.04. Governing Law.

This Trust Agreement shall be construed and governed in accordance with the laws of the State of Mississippi.

SECTION 10.05. Partial Invalidity.

Any provision of this Trust Agreement found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Trust Agreement.

SECTION 10.06. Binding Effect: Successors.

This Trust Agreement shall be binding upon and shall inure to the benefit of the parties hereto and the Owners and their respective successors and assigns. Whenever in this Trust Agreement any party is named or referred to, such reference shall be deemed to include such party's successors or assigns, and all covenants and agreements contained in this Trust agreement by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

SECTION 10.07. Execution in Counterparts.

This Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

EXHIBIT "F"

SECTION 10.08. Destruction of Cancelled Certificates.

Whenever in this Trust Agreement provision is made for the surrender to or cancellation, by the Trustee and the delivery to the City of any Certificates, the Trustee may, upon the request of the City Representative, in lieu of delivery, destroy such Certificates and deliver a certificate evidencing such destruction to the City.

SECTION 10.09. Headings.

The headings or titles of the several Articles and Sections hereof, and the table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Trust Agreement. Unless the context requires otherwise, all references herein to "Articles," "Sections," and other subdivisions shall be to the corresponding Articles, Sections or subdivisions of this Trust Agreement.

IN WITNESS WHEREOF, the parties have executed this Trust Agreement effective the date first above written.

as Trustee

By: _____
Title: _____

CITY OF PETAL, MISSISSIPPI

By: _____
Mayor

ATTEST:

City Clerk

APPROVED AS TO CONTENT AND FORM:

PETAL PUBLIC IMPROVEMENT
CORPORATION

By: _____
President

EXHIBIT A

FORM OF CERTIFICATE OF PARTICIPATION

CERTIFICATE OF PARTICIPATION
(Petal, Mississippi Public Building Project)

Evidencing a Proportionate Undivided Interest of the
Owner Hereof in a Lease, Including the Right to Receive
Base Rental Payments to be Made by

PETAL, MISSISSIPPI

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL CERTIFICATE DATE</u>	<u>CUSIP</u>
		February 1, 1993	

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

THIS IS TO CERTIFY THAT the registered owner identified above or registered assigns, as the registered owner of this Certificate of Participation (the "Owner" of the "Certificate"), is the Owner of a fractional undivided proportionate interest in, including the right to receive Base Rental payable under, a Lease and Option to Purchase, dated as of February 1, 1993 (the "Lease"), by and between the City of Petal, Mississippi (the "City"), a political subdivision of the State of Mississippi (the "State"), as lessee, and the Petal Public Improvement Corporation, a non-profit corporation organized and existing under the laws of the State of Mississippi, as Lessor (the "Corporation").

The registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease and unless sooner paid in full, on the maturity date identified above, the principal amount identified above, representing a portion of the Base Rental payments designated as principal coming due on or prior to such date, and, subject to the terms of the Lease, to receive on each February 1 and August 1, commencing February 1, 1994, the registered Owner's proportionate share of the Base Rental designated as interest coming due on or prior to each of such dates. Such proportionate share of the portion of the Base Rental designated as interest is the result of the multiplication of the aforesaid portion of the Base Rental designated as principal by the interest rate specified above. Such proportionate share of the portion of the Base Rental designated as interest shall be computed

on the basis of a 360-day year composed of 12 months of 30 days each.

Interest with respect to each Certificate shall accrue from the Interest Payment Date next preceding the date of execution thereof, unless (i) it is executed after a Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is executed prior to the close of business on the first Record Date, in which event interest with respect thereto shall be payable from February 1, 1993; provided, however, that if at the time of registration of any Certificate interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment.

Amounts due hereunder in respect of principal and premium, if any, are payable in lawful money of the United States of America upon the surrender hereof at maturity or the earlier prepayment hereof at the corporate trust office of _____, as trustee (the "Trustee") in _____ (or any successors thereto), or any paying agent appointed by the Trustee. Amounts representing interest are payable by check or draft mailed on the Interest Payment Date to the Owner of this Certificate at such Owner's address as it appears on the Certificate register as of the close of business on the fifth day of the month next preceding the day such payment is due. Payments of defaulted interest, if any, with respect to this Certificate shall be paid by check or draft to the registered Owner of this Certificate as of a special record date to be fixed by the Trustee, notice of which special record date shall be given to the Owner of this Certificate not less than ten days prior thereto.

The City is authorized to enter into the Lease pursuant to the laws of the State of Mississippi. The City has entered into the Lease for the purpose of leasing certain facilities (the "Project") in connection with the performance of the City's governmental functions. The Corporation has assigned all of its right, title and interest (other than its obligation to cause the Project to be constructed and its rights to indemnification and payment for its costs and expenses incurred in connection with the construction of the Project) in and to the Lease, including the right to receive Base Rental thereunder, to the Trustee, pursuant to the Assignment Agreement (the "Assignment Agreement"), dated as of February 1, 1993, by and between the Corporation and the Trustee.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of the Trust Agreement (the "Trust Agreement"), dated as of February 1, 1993, by and between the City

and the Trustee. Reference is hereby made to the Lease, the Trust Agreement and the Assignment Agreement (copies of all of which are on file at the aforesaid offices of the Trustee) for a description of the terms on which the Certificates are delivered, and the rights thereunder of the registered Owners of the Certificates and the rights, duties and immunities of the Trustee and the rights and obligations of the City under the Lease, to all of the provisions of which the registered Owner of this Certificate, by acceptance hereof, assents and agrees.

Base Rental is required to be deposited with the Trustee prior to each payment date for application to the Base Rental Fund established pursuant to the Trust Agreement. The City has also pledged all amounts on deposit from time to time in the funds and accounts established pursuant to the Trust Agreement for the purposes therein specified, including the payment of all Base Rental.

The obligation of the City to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the City to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The City's Mayor and Board of Aldermen (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Trust Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The City has not pledged or levied any form of taxation for the payment of Outstanding Certificates.

The obligation of the City under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

To the extent and in manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the

EXHIBIT "F"

Owners of a majority in aggregate amount of Certificate Obligation (as defined in the Trust Agreement) then outstanding. The Trust Agreement may be amended without such consent under certain circumstances provided that the interests of the Owners of the Certificates are not adversely affected. No amendment shall impair the right of any Owner to receive in any case such Owner's proportionate share of any Base Rental payment in accordance with such Owner's Certificate.

Registration of this Certificate is transferable by the registered Owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Trustee, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Trust Agreement and upon surrender and cancellation of this Certificate. Upon such registration of transfer, a new Certificate or Certificates, of like tenor and maturity in the same total maturity amount and in authorized denominations will be issued to the transferee in exchange therefor. The City and the Trustee may treat the registered Owner hereof as the absolute Owner hereof for all purposes, whether or not this Certificate shall be overdue, and shall not be affected by any notice to the contrary.

Certificates maturing on February 1, 1999, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on February 1, 1998, or on any interest payment date thereafter, at par, plus accrued interest to the date of redemption.

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium from the net proceeds deposited by the Trustee into the Redemption Account in the Certificate Fund, pursuant to Sections 3.10, 3.11 and 8.09 of the Trust Agreement.

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium, from monies transferred to the Redemption Account within the Certificate Fund from the General Account of the Construction and Acquisition Fund after delivery to the Trustee of the Certificate of Completion.

Notice of redemption identifying the numbers of Certificates 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.

If this Certificate is called for prepayment and the principal amount of this Certificate plus premium (if any) and accrued interest due with respect hereto are duly provided therefor as specified in the Trust Agreement, then interest shall cease to accrue with respect hereto from and after the date fixed for prepayment.

The Trustee has no obligation or liability to the Certificate owners to make any payments with respect to the Certificates, except from amounts on deposit for such purposes with the Trustee. The Trustee's sole obligations are to administer for the benefit of the Certificate Owners the various funds and accounts established under the Trust Agreement and, to the extent provided in the Trust Agreement, to enforce the rights of the Lessor under the Lease.

This Certificate shall not be entitled to any benefit under the Trust Agreement or become valid for any purpose until it has been duly executed and delivered by the Trustee.

THE CITY HAS CERTIFIED, RECITED AND DECLARED that all things, conditions and acts required by the Constitution and laws of the State of Mississippi and the Trust Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Certificate, do exist, have happened and have been performed in due time, form and manner, as required by law.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Trustee, acting pursuant to the Trust Agreement.

DATE OF EXECUTION:

as Trustee

BY: _____
Authorized Officer

[FORM OF ASSIGNMENT TO APPEAR ON CERTIFICATES]

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the

records of the Trustee with full power of substitution in the premises. Dated: _____

**CITY OF PETAL
MINUTE BOOK 13**

Note: The signature(s) on this Certificate must correspond with the name(s) as written on the face of the within registered Certificate in every particular, without alteration or enlargement or any change whatsoever.

Tax Identification Number of Assignee: _____

Signature of _____ Guaranteed.

BY _____

Note: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B

FORM OF PAYMENT REQUEST

_____ as Trustee

Attention: Corporate Trust Department

Re: \$550,000 Certificates of Participation
(Petal, Mississippi Public Building Project)

Attention:

Pursuant to Section 3.02 or 3.03 of the Trust Agreement (the "Trust Agreement"), dated as of February 15, 1993, between the City of Petal, Mississippi and you, as Trustee, you are hereby instructed to disburse the sum of \$ _____ from the [Administrative Expense Fund] [Costs of Issuance Account in the Construction and Acquisition Fund] established under the Trust Agreement. You are instructed to pay such disbursement to the order of the following payee, and for the following cost(s) and/or expense(s).

Payee: _____

Cost(s) and/or expense(s) for which disbursement is requested:

Dated: _____

CITY OF PETAL, MISSISSIPPI

Representative

EXHIBIT C

FORM OF CONSTRUCTION DISBURSEMENT REQUEST

DISBURSEMENT REQUEST NO. _____

_____ as Trustee

Attention: Corporate Trust Department

Re: \$550,000 Certificates of Participation
(Petal, Mississippi Public Building Project)

Attention:

In accordance with the terms of the Trust Agreement, by and between you and the City of Petal, Mississippi (the "City") (the "Trust Agreement"), you are hereby authorized and requested to make immediate disbursement of funds held by you for Acquisition Costs (as defined in the Trust Agreement).

The undersigned hereby certifies that:

(i) No part of the amount requested herein has been included in any other request previously filed with you;

(ii) There has not been filed with or served upon the City or, if different, the undersigned, any notice of any lien or attachment upon or claim (except for any preliminary notice of lien as may be filed in accordance with law) affecting the right of the person, corporation or other entity stated below to receive payment of the amount stated below, which lien has not been released or will not be released simultaneously with the payment requested hereunder;

(iii) The amount remaining in the General Account within the Construction and Acquisition Fund held under the Trust Agreement will, after payment of the amount requested below, be sufficient to pay the cost of completing the construction of the Improvements (as hereinafter defined in accordance with construction contracts now in effect and the undersigned's estimates of costs of work, if any, not under contract, all in accordance with the plans and specifications for the improvements described in the Lease (the "Improvements") now in effect and on file with the City;

(iv) The labor, services and/or materials covered hereby have been performed upon or furnished to the Improvements and the

payment requested herein is due and payable under a purchase order, contract or other authorization;

(v) All construction to date has been performed in accordance with the plans and specifications for the Improvements on file with the City, and there have been no changes in those plans and specifications except as have been expressly permitted by the City;

(vi) There have been no changes in the scope or time of performance of the work of construction, nor any extra work, labor or materials ordered or contracted for, nor are any such changes contemplated, except as have been expressly permitted by the City;

(vii) All amounts previously disbursed by you for labor, services and/or materials with respect to the Improvements, pursuant to previous disbursement requests, have been paid to the parties entitled thereto;

(viii) All conditions to the disbursement of the funds requested herein as set forth in the Trust Agreement and in the Lease have been fulfilled, and, to the best knowledge of the undersigned, no default under the Lease has occurred and is continuing; and

(ix) If applicable, an executed American Institute of Architect's Form G702 is attached hereto.

You are hereby requested to pay from the General Account within the Construction and Acquisition Fund established by the Trust Agreement, to the person, corporation or other entity designed below as Payee, the sum set forth below such designation, in payment of all () or a portion () (designated by the insertion of an "x" in the parentheses following the correct word or phrase) of the Construction Cost described below.

Payee: _____

Address: _____

Amount: _____

Description of Construction Cost or portion thereof accepted by the undersigned and authorized to be paid to the Payee:

Dated: _____, 1993.

CITY OF PETAL, MISSISSIPPI

BY: _____
City Representative

TAX AND NON-ARBITRAGE CERTIFICATE

\$550,000 CITY OF PETAL, MISSISSIPPI

CERTIFICATES OF PARTICIPATION

(PETAL, MISSISSIPPI PUBLIC BUILDING PROJECT)

In connection with the execution and delivery of the \$550,000 aggregate principal amount of the City of Petal, Mississippi (the "Issuer") Certificates of Participation (Petal City, Mississippi, Public Building Project) (the "Certificates"), the Issuer hereby represents and warrants that the facts stated herein are true and correct in all material respects and covenants to comply with all provisions contained herein (except as expressly noted) concerning (i) the use and investment of the proceeds of the Certificates, (ii) the rebate, to the extent required, of earnings derived from the investment of such proceeds, and (iii) the use of the facilities financed with the proceeds of the Certificates.

In Section 7.06 of the Trust Agreement dated as of February 1, 1993 (the "Trust Agreement"), between the Issuer and _____, as Trustee (the "Trustee"), the Issuer has covenanted to comply with all of the requirements of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended, by complying herewith. The representations and covenants of the Issuer contained herein are in furtherance of and made for the purpose of setting forth the parameters for complying with the above-noted covenant set forth in the Trust Agreement.

The accuracy of such representation and compliance with such covenants are essential to the continued tax-exempt status of the interest on the Certificates. Special Counsel will rely on the Issuer's representations of fact and the Issuer's compliance with the covenants set forth herein in providing its opinion with regard to the exclusion, under Sections 103 and 141 through 150 of the Code, of the Interest Component of the Base Rental payments (as later defined) from gross income for federal income tax purposes.

All capitalized terms used herein and not otherwise herein defined have the meanings ascribed to them by the Trust Agreement. The definition of any term defined herein shall apply for all purposes elsewhere herein unless otherwise specifically provided.

I. PLAN OF FINANCING:

A. Issue Date. The Certificates are being executed and delivered to the purchasers thereof on the date hereof, pursuant to the Trust Agreement. The Certificates evidence proportionate

interests in the Lease and Option to Purchase dated as of February 1, 1993 (the "Lease"), by and between Petal Public Improvement Corporation (the "Corporation"), and the Issuer. Pursuant to the Lease, the Corporation agrees to lease certain real property to the City and the City agrees to make periodic lease payments to the Corporation ("Base Rental"), a portion of which is designated as and comprises principal (the "Principal Components") and a portion of which is designated as and comprises interest (the "Interest Components"). The Corporation has assigned all of its rights to and interest in the Lease (including the right to receive Base Rental thereunder) to the Trustee for the benefit of the Certificate holders.

B. Governmental Purpose. The Certificates are being executed and delivered for the purpose of providing funds which will be used to pay costs of constructing a public building to be utilized as Petal, Mississippi, multi-purpose community center (the "Project") and to pay a portion of the costs of execution and delivery of the Certificates.

C. Sources and Uses.

1. The total amount received by the Issuer from the purchasers of the Certificates on the date hereof is \$ _____; (\$550,000 aggregate principal amount of the Certificates plus accrued interest of \$ _____ plus a premium of \$ _____).

These proceeds of the Certificates will be set aside and used as follows:

a. the Trustee shall deposit into the Interest Account of the Certificate Fund the sum of \$ _____ which is the interest from February 1, 1993, to the date hereof, plus a premium of \$ _____;

b. the Trustee shall deposit into the Costs of Issuance Account of the Construction and Acquisition Fund (the "Construction Fund") the sum of \$ _____ to pay the costs of execution and delivery of the Certificates;

c. the Trustee shall deposit into the Administrative Expense Fund the sum of \$ _____ to pay certain other costs incurred by the Issuer;

d. the Trustee shall deposit the sum of \$ _____ into the Contingency Account of the Certificate Fund.

e. the Trustee shall deposit the remainder of said proceeds (\$ _____) into the General Account of the Construction and Acquisition Fund.

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The monies in the General Account of the Construction and Acquisition Fund, including the earnings from the investment of such monies, will be disbursed to finance the costs incurred in connection with the construction of the Project pursuant to the provisions of the Trust Agreement.

II. PRIVATE ACTIVITY BOND RESTRICTIONS:

A. Private Activity Bonds. The Certificates are intended to avoid classification, for purposes of federal income taxation, as "private activity bonds" as such term is defined in Section 141(a) of the Code. In order to avoid such classification, the Certificates must not satisfy either a (i) private business test, as described in Section B below, or (ii) private loan test, as described in Section C below.

B. Private Business Test.

1. **General.** The private business test will be satisfied (and the Certificates will be private activity bonds) if both the "private business use test" and the "private security or payment test" are satisfied.

2. **Private Business Use Test.** In order to fail the private business use test, no more than 10 percent of the Certificate proceeds (or facilities financed with the Certificate proceeds) may be used in any activity carried on by any person or entity, including the federal government and all of its agencies and instrumentalities, other than a state or political subdivision of the state (any such person hereinafter referred to as a "Nongovernmental Person"). In addition, no more than 5 percent of the Certificate proceeds may be used in any activity (or facilities financed with Certificate proceeds) carried on by any Nongovernmental Person where such use is (i) disproportionate to a related governmental use or (ii) is unrelated to the governmental use of the proceeds of the Certificates.

3. **Private Security or Payment Test.** Not more than 10 percent of the payment of the principal and interest on the Certificates will be, directly or indirectly, (i) secured by any interest in property used or to be used in a trade or business of any Nongovernmental Person, or (ii) secured by any interest in payments in respect of such property, or (iii) derived from payments in respect of property used or to be used in a trade or business of any Nongovernment Person.

4. **Management Contracts.** The Project will not be used by any corporation or other Nongovernmental Person pursuant to a management or similar contract unless:

a. the term of the management contract (including renewals) is less than 5 years,

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b. at least 50 percent of the total compensation paid under the contract is on a periodic, fixed-fee basis,

c. no amount of compensation is based on a share of net profits, and

d. the Issuer may terminate the contract (without penalty) at the end of any three year period.

C. Private Loan Restriction. In order to fail the private loan test, no more than the lesser of 5 percent of the Certificate proceeds or \$5,000,000 may be used (directly or indirectly) to make or finance loans to any Nongovernmental Person. No portion of the proceeds of the Certificates are or shall be used, directly or indirectly, to make or finance any loan to any Nongovernmental Person. The Issuer will not lease any portion of the Project (or otherwise enter into any other deferred payment arrangement) in a manner which will transfer federal income tax ownership of Certificate-financed property to any Nongovernmental Person or which, in substance, shifts significant burdens and benefits of ownership to any Nongovernmental Person.

III. ARBITRAGE

A. Temporary Periods.

1. Three Year Temporary Period. The investment of the original and investment proceeds of the Certificates will qualify for a three-year temporary period, in that the Issuer reasonably expects to satisfy the requirements of the time test, due diligence test and expenditure test.

a. Time Test. Within six months of the date hereof, the Issuer will incur a binding obligation to acquire, construct or install the Project, which contract will obligate the payment by the Issuer of not less than \$100,000 or 2 percent of the cost of the Project.

b. Due Diligence Test. The Issuer will proceed with due diligence to complete the acquisition, construction and installation of the Project. The acquisition, construction and installation of the Project is expected to be completed on or prior to _____.

c. Expenditure Test. At least 85% of the spendable proceeds will be expended on or before _____, _____, to acquire and construct the Project.

2. Construction Fund. To the extent original proceeds of the Certificates remain unexpended on _____, _____, all such amounts in excess of \$100,000 will be invested at a yield not greater than the yield on the Certificates.

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3. Sinking Fund Proceeds.

a. The Issuer is obligated under the Lease to make payments of Base Rental, subject to abatement in certain circumstances as provided in the Lease, having Principal Components and Interest Components which constitute the principal and interest with respect to the Certificates. Interest with respect to the Certificates is payable semiannually on each February 1 and August 1, commencing February 1, 1994. Principal payments will also be made annually on each February 1, commencing February 1, 1994, and terminating January 31, 2003, or at such earlier time as the Certificates have been paid. Such payments will be made from the Principal Account and Interest Account of the Certificate Fund.

b. The Issuer will deposit with the Trustee, not later than five days preceding any Interest Payment Date, the Base Rental payments to become due on such Interest Payment Date. Such funds shall be deposited in the Base Rental Fund. The Trustee shall transfer from the Base Rental Fund to the Interest Account in the Certificate Fund on each Interest Payment Date an amount which, together with money on deposit in the Interest Account equals the interest then due on such Interest Payment Date (as defined in the Trust Agreement) with respect to the Certificates in accordance with the terms of the Trust Agreement. The Trustee shall transfer from the Base Rental Fund to the Principal Account within the Certificate Fund on each Interest Payment Date an amount which, together with money on deposit in the Principal Account, equals the principal then due or required to be prepaid on such Interest Payment Date with respect to the Certificates. Monies available in the Interest Account and the Principal Account shall be applied by the Trustee to the payment of interest and principal, respectively, payable on any Interest Payment Date. Any amounts remaining in the Base Rental Fund on February 1 of each year after the transfers referred to in the preceding sentences have been made shall be remitted to the Issuer.

4. Bona Fide Debt Service Fund. The Base Rental Fund and the Interest Account and Principal Account within the Certificate Fund (the "Sinking Funds") as described in Section 3 hereof, have been created in order to achieve a proper matching of revenues and Base Rental with respect to the Certificates, and since such Sinking Funds will be depleted at least once each year on or about February 1 except for a reasonable carryover amount which will not exceed the greater of (i) one year's earnings on such Sinking Funds or (ii) one-twelfth of the prior year's Base Rental payments under the Lease, such Sinking Funds constitute "bona fide debt service funds" within the meaning of Treas. Reg. §1.103-13(b)(12) and investments of amounts held therein are

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EXHIBIT "F"

entitled to a 13-month temporary period. No monies will be held in such Sinking Funds longer than 13 months.

B. Reserve and Similar Funds.

1. No Other Sinking or Pledge Funds. The only sinking funds with respect to Certificates are the Base Rental Fund and the Interest Account and Principal Account within the Certificate Fund. All payments received under the Trust Agreement (other than the Trustee's fees and amounts deposited to the Excess Earnings Fund) shall be deposited into the Base Rental Fund and transferred to the Certificate Fund, or (in the case of delinquent Base Rental payments, proceeds of rental interruption insurance, and liquidated damages with respect to the Project) deposited into the Contingency Account within the Certificate Fund, and all Base Rental payments are expected to be made solely from the Certificate Fund. The Issuer expects to create or establish no other sinking fund or similar fund with respect to the Certificates. No amounts in any other accounts or funds of the Issuer are reserved or pledged for Base Rental payments on the Certificates, and it is not expected that any such other accounts or funds will be so used, nor is there any reasonable assurance that any portion of such other accounts or funds will be available for Base Rental payments if the Issuer encounters financial difficulty. Pursuant to the Lease, the Issuer expects that all payments from the Certificate Fund that are to be used to pay Base Rental on the Certificates will be disbursed within 11 months of receipt. The Issuer further expects that any interest earnings with respect to such payments will be disbursed within one year of receipt.

2. Replacement Funds. No portion of the proceeds of the Lease or proceeds from the execution and delivery of the Certificates will be used as a substitute for other funds (a) which were otherwise to be used as a source of financing for the Project and related facilities and (b) which will be used to acquire, directly or indirectly, obligations producing a yield in excess of the yield on the Certificates.

C. Miscellaneous Provisions.

1. Overissue. The proceeds of the Certificates and the reasonably anticipated investment proceeds thereon do not exceed the amount necessary for the purpose for which the Certificates are issued, i.e., financing the cost of acquisition, construction and installation of the Project, by an amount in excess of the lesser of five percent (5%) of the proceeds of the Certificates or \$100,000. The estimated costs of the Project, and the costs of executing and delivering the Certificates (to the extent such expenses will be paid with proceeds of the Certificates), will not be less than the issue price of the Certificates, plus the anticipated earnings of approximately _____ arising by reason of the investment of Certificate proceeds pending expenditure

thereof (reduced by any earnings in excess of the amount which would have been earned if the proceeds of the Certificates had been invested at the yield on the Certificates, as described in Section IV hereof.)

2. Yield. The Yield on the Certificates is not less than _____ percent.

3. Artifice and Device. The execution of the Lease and the execution and delivery of the Certificates are not and will not be part of a transaction or series of transactions which are an attempt to circumvent the provisions of Section 148 of the Code and the regulations promulgated thereunder, or under any similar provision of prior law, which (a) enables the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and (b) increases the burden on the market for tax-exempt obligations.

4. Separate Issue. There are no other governmental obligations (a) which are being executed and delivered at substantially the same time as the Certificates, (b) which are being sold pursuant to a common plan of financing with the Certificates, and (c) which will be paid out of substantially the same source of funds as the Certificates (or will have substantially the same claim to be paid out of substantially the same source of funds).

5. Blacklisting. The Issuer has not been notified of any listing or proposed listing of the Issuer by the Internal Revenue Service as an issuer whose non-arbitrage certificates or covenants may not be relied upon.

6. Non-arbitrage Certificates. On the basis of the foregoing, it is not expected that the proceeds of the Certificates will be used in a manner that will cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

IV. REBATE COMPLIANCE:

Within the meaning of Section 148(f)(4)(D) of the Code:

- a. the Issuer is a governmental unit with general taxing powers; and,
- b. no Certificate is a "private activity bond", and,
- c. 95% or more of the net proceeds of the Certificates are to be used for governmental activities of the Issuer; and,

d. the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the Issuer during calendar year 1993 is not reasonably expected to exceed \$5,000,000.

Accordingly, pursuant to Section 148(f)(4)(D) of the Code, no rebate is required with respect to the Certificates.

V. GENERAL:

A. Federal Guarantees.

Pursuant to the Trust Agreement, all proceeds of the Certificates other than the amounts held invested as part of the Base Rental Fund or the Certificate Fund which meet the requirements of Section 148(c) of the Code, if invested in investments as may be permitted under regulations issued pursuant to Section 149(b) of the Code, unless another investment of such funds will not, in the opinion of nationally recognized bond counsel, impair the exclusion from gross income of the interest with respect to the Certificates from federal income taxation and the exemption of such interest from Mississippi personal income taxation.

B. Future Modifications.

Notwithstanding any other provision of this document, the covenants and obligations hereunder shall be deemed modified to the extent that the Issuer secures an opinion of Crosthwait, Terney, Noble & Allain, Special Counsel, that any action required hereunder is no longer required or that some further action is required in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Certificates. Crosthwait, Terney, Noble & Allain is under no obligation to monitor statutory and regulatory developments in connection with the covenants and obligations assumed hereunder, therefore the Issuer should, from time to time, secure advice or an opinion of Special Counsel with regard to the status of applicable statutory and regulatory developments as applied to the Certificates.

C. Responsibility.

The undersigned and other officers of the Issuer are charged with the responsibility of entering into the Certificate documents and executing and delivering the Certificates. The undersigned has made due inquiry with respect to such actions and is fully informed as to the matters set forth in this document.

D. Information Reporting.

The Issuer has reviewed the Internal Revenue Service Form 8038G, Information Return for Tax-Exempt Governmental Bond Issues,

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attached hereto as EXHIBIT A, and all information thereon related to the Issuer and its anticipated use of Certificate proceeds is correct and complete.

DATED: _____, 1993

CITY OF PETAL, MISSISSIPPI

BY: _____

EXHIBIT "F"

THIS

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EXHIBIT "C"

ASSIGNMENT AGREEMENT

Dated as of February 1, 1993

by and between

PETAL PUBLIC IMPROVEMENT CORPORATION

and

_____, MISSISSIPPI
as Trustee

Prepared by:
Crosthwait, Terry, Noble & Allan
401 East Capitol Street, Suite 202
Jackson, Mississippi 39201

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT (the "Assignment Agreement"), dated as of February 1, 1993, by and between the PETAL PUBLIC IMPROVEMENT CORPORATION (the "Corporation") and _____, MISSISSIPPI, a state banking association organized and existing under the laws of the United States and authorized to accept assignments of the nature herein set forth, as trustee (the "Trustee");

W I T N E S S E T H

WHEREAS, the Corporation and the City of Petal, Mississippi (the "City") have entered into a Ground Lease (the "Ground Lease"), dated as of the date hereof, pursuant to which the City agrees, among other things, to lease certain real property described in EXHIBIT A hereto (the "Property") to the Corporation; and

WHEREAS, the City and the Corporation have entered into a Lease and Option to Purchase (the "Lease"), dated as of the date hereof, pursuant to which the Corporation agrees, among other things, to lease the Property and certain facilities to be located thereon as described in the Lease (the "Project") to the City in consideration for which the City has agreed to pay base rental (the "Base Rental") and additional rental, all as more particularly described in the Lease; and

WHEREAS, the City and the Trustee have entered into a Trust Agreement, dated as of the date hereof (the "Trust Agreement"), pursuant to which the Trustee has agreed to execute and deliver certificates of participation (the "Certificates"), each evidencing a proportionate interest in the Lease, including the right to receive Base Rental payable thereunder; and

WHEREAS, the Corporation desires to assign and transfer certain of its right, title and interest in and to the Ground Lease, and the Lease to the Trustee on the terms and conditions set forth hereinbelow;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained herein, the parties hereto agree as follows:

SECTION 1. Definitions.

All capitalized terms used herein without definition shall have the meanings given to such terms in the Trust Agreement.

SECTION 2. Assignment.

The Corporation does hereby assign and transfer to the Trustee, for the benefit of the Owners of the Certificates, all of the Corporation's rights, title and interest in and to the Ground

RENTAL AND ADDITIONAL RENTAL, as well as all rights to enforce payment of such Base Rental when due or otherwise to protect its interest in the event of a default or termination by the City under the Lease, in accordance with the terms thereof. The Base Rental and other rights of the Corporation assigned hereunder shall be applied and the rights so assigned shall be exercised by the Trustee as provided in the Trust Agreement.

SECTION 3. Acceptance of Assignment.

The Trustee hereby accepts the assignment of such of the Corporation's rights under the Ground Lease and the Lease as are assigned pursuant to the terms of this Assignment Agreement, for the purpose of securing such Base Rental and rights to the Owners, from time to time, of Certificates.

SECTION 4. No Additional Rights or Duties.

This Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Trustee beyond those expressly provided in the Ground Lease, the Lease and the Trust Agreement. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Corporation or the City beyond those expressly provided in the Ground Lease, the Lease and the Trust Agreement or as otherwise set forth herein.

SECTION 5. Consent of Corporation to Sale of Certificates.

The Corporation does hereby authorize, direct and consent to the execution and delivery of the Certificates by the Trustee, the receipt of payment by the Trustee for the Certificates when the same shall be sold to the original purchaser or purchasers thereof and the transfer and deposit of such proceeds by the Trustee into the funds and accounts created by the Trust Agreement, all in accordance with the terms of the Trust Agreement.

SECTION 6. Further Assurances.

The Corporation will make, execute and deliver any and all such further resolutions, instruments, assurances to continue the existence in good standing of the Corporation under the Laws of the State of Mississippi and assurances as may be reasonably necessary or proper to carry out the intent of this Agreement and to facilitate the performance of this Assignment Agreement and for the better assuring and confirming to the Owners of the Certificates the rights and benefits intended to be conveyed pursuant hereto.

SECTION 7. Execution in Counterparts.

This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

IN WITNESS WHEREOF the parties hereto have executed this Assignment Agreement as of the date first above written.

PETAL PUBLIC IMPROVEMENT CORPORATION

By: _____
President

AS TRUSTEE

By: _____
Authorized Signatory

STATE OF MISSISSIPPI

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction, the within named _____, who acknowledged to me that he is President of PETAL PUBLIC IMPROVEMENT CORPORATION and that he signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said Corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the _____ day of _____, 1993.

Notary Public

My Commission Expires:

STATE OF MISSISSIPPI

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the aforesaid jurisdiction the within named _____ who acknowledged to me that _____ is an authorized officer of _____, MISSISSIPPI and that _____ signed and delivered the foregoing instrument of writing on the day and year therein mentioned for and on behalf of said corporation and as its official act and deed, being duly authorized so to do.

GIVEN UNDER MY HAND and official seal, this the _____ day of _____, 1993.

Notary Public

My Commission Expires:

In the opinion of Bond Counsel, the interest portion of the Base Rental payments to be made by the City under the Lease and received by the owners of the Certificates is excluded from the computation of federal income tax purposes under present federal income tax laws and is exempt from personal income taxes of the State of Mississippi under the laws of that state. However, the interest portion of the Base Rental payments is included in the computation of certain federal taxes on corporations. See the section entitled "Tax Matters" herein.

\$550,000
CERTIFICATES OF PARTICIPATION
(PETAL, MISSISSIPPI PUBLIC BUILDING PROJECT)
EVIDENCING PROPORTIONATE INTERESTS IN A LEASE, INCLUDING
THE RIGHT TO RECEIVE BASE RENTAL PAYMENTS THEREUNDER, TO BE
MADE BY PETAL, MISSISSIPPI

Dated: February 1, 1993

Due: February 1, as shown below

The Certificates of Participation (the "Certificates") represent fractional and proportionate undivided interests in a Lease and Option to Purchase (the "Lease") including the right to receive Base Rental payments thereunder (as defined herein), for use and occupancy of a public building to be constructed, in part with the proceeds of the sale of the Certificates and leased to Petal, Mississippi (the "City") by the Petal Public Improvement Corporation, a non-profit corporation organized and existing under the laws of the State of Mississippi. Pursuant to an Assignment Agreement, the Corporation has irrevocably assigned certain of its rights under the Lease, including the right to receive Base Rental payments paid by the City, to the Trustee.

Interest is payable by _____, as Trustee, by check or draft mailed on the Interest Payment Date to the persons who were the registered Owners of the Certificates as of the Record Date for such payment. Interest is payable on February 1 and August 1 of each year, commencing February 1, 1994. Principal of the Certificates is payable at maturity thereof or earlier redemption thereof at the corporate trust office of the Trustee in _____ or at the office of any paying agent. The Certificates shall mature on February 1 of each year, commencing February 1, 1994, as set forth below.

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
1994	\$45,000	___%	1999	\$55,000	___%
1995	45,000	___	2000	60,000	___
1996	45,000	___	2001	60,000	___
1997	50,000	___	2002	65,000	___
1998	55,000	___	2003	70,000	___

Certificates maturing on February 1, 1999, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on February 1, 1998, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

The Certificates are subject to mandatory redemption as described herein.

The obligation of the City to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the City to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The City's Mayor and Board of Aldermen (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Trust Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The City has not pledged or levied any form of taxation for the payment of Outstanding Certificates (see the section entitled "Limitation on Ad Valorem Levies" in APPENDIX A herein.)

The obligation of the City under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

The Certificates are being offered as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Certificates are offered when, as and if delivered to and received by the Corporation, subject to the approval of legality by Crosthwait, Terney, Noble & Allain, Special Counsel. The Certificates, in definitive form, will be available for delivery at a place reasonably designated by the City on or about _____, 1993.

Dated: February 16, 1993.

No dealer, broker, salesman or other person has been authorized to make any representations with respect to the Certificates of Participation 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 Certificates of Participation 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 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.

CITY OF PETAL, MISSISSIPPI

JACK GAY, JR.
MAYOR

BOARD OF ALDERMEN

DONALD H. ROWELL, WARD 1
JERRY CROWE, WARD 2
BOBBY RUNNELS, WARD 3
LEROY SCOTT, WARD 4
REUBEN CLEPPER, ALDERMAN AT LARGE

PRISCILLA C. DANIEL
CITY CLERK

THOMAS TYNER
HATTIESBURG, MISSISSIPPI
CITY ATTORNEY

HOLLEY, GRUBBS, MITCHAM & PHILLIPS
JACKSON, MISSISSIPPI
FINANCIAL ADVISOR

CROSTHWAIT, TERNEY, NOBLE & ALLAIN

EXHIBIT "H"

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\$550,000
**CERTIFICATES OF PARTICIPATION
(PETAL, MISSISSIPPI PUBLIC BUILDING PROJECT)**

Evidencing Proportionate Interests in a Lease,
Including the Right to Receive
Base Rental Payments Thereunder, to be Made by

PETAL, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement, which includes the attached appendices, is to provide certain information concerning the sale and delivery of the Certificates of Participation (Petal, Mississippi Public Building Project) (the "Certificates"), in the initial aggregate principal amount of \$550,000. The Certificates represent fractional and proportionate undivided interests in a Lease and Option to Purchase (the "Lease"), dated as of February 1, 1993 between the City of Petal, Mississippi (the "City"), and the Petal Public Improvement Corporation, a Mississippi non-profit corporation (the "Corporation"), including the right to receive payments to be made by the City as Base Rental for the use and occupancy of a facility to be utilized as a community center. The City is authorized to enter into said Lease and pay said Base Rental pursuant to the provisions of Sections 31-8-1 et seq., Mississippi Code of 1972, as amended.

Pursuant to a Ground Lease (the "Ground Lease"), dated as of February 1, 1993, between the Corporation and the City, the City will lease to the Corporation one parcel of real property (the "Property") on which a public building and related improvements ("Improvements") are to be constructed (the Improvements and the Property are referred to herein collectively as the "Project"), and, pursuant to the Lease, the Corporation will agree to cause the Improvements to be constructed on the Property and will agree that the costs or acquisition and construction of the Project will be paid, in part, from proceeds of the sale of the Certificates. The Corporation has entered into an Agency Agreement, dated as of February 1, 1993 (the "Agency Agreement") with the City pursuant to which the City was appointed as agent of the Corporation in connection with the acquisition, construction, delivery and installation of the Project.

The Certificates are being issued pursuant to a Trust Agreement (the "Trust Agreement"), dated as of February 1, 1993, between the City and _____, as Trustee (the "Trustee"). Under the terms of an Assignment Agreement, dated as of February 1, 1993 (the "Assignment Agreement"), the Corporation will assign to the Trustee, for the benefit of the Owners of the Certificates, all of its right, title and interest in

and to the Lease and the Ground Lease (excepting only the Corporation's obligation to cause the Project to be constructed and its rights to indemnification and payment or reimbursement of its costs and expenses). Such assignment to the Trustee will include the Corporation's right to receive Base Rental payments and the right to enforce payment of Base Rental when due.

Under the Lease, the City is required to make Base Rental payments, each of which contains an interest component and a principal component which the Trustee will distribute to the Owners of the Certificates. In addition, the Lease requires the City to pay, as Additional Rental, any taxes, assessments and insurance premiums with respect to the Project and, to the extent not paid out of proceeds of the Certificates, the fees and expenses of the Trustee, the expenses of execution and delivery of the Certificates and any other fees, costs or expenses incurred by the Lessor in connection with the execution, performance and enforcement of the Lease, the Trust Agreement or any of the transactions contemplated thereby or related to the Project. To secure the performance of its obligation to pay Base Rental, the City shall deposit each Base Rental payment with the Trustee at least five days prior to the date on which the Base Rental is due, for application by the Trustee in accordance with the terms of the Trust Agreement. In the event any such date of deposit is not a Business Day, such deposit shall be made on the next preceding Business Day.

The obligation of the City to pay Base Rental shall commence on the Closing Date. Base Rental payments with respect to the Project shall be payable from any source lawfully available therefor.

The obligations of the City to make the Base Rental payments and to perform and observe the other agreements on its part contained in the Lease shall be absolute and unconditional, regardless of whether the Project shall have been entirely completed at the time the first payment becomes due hereunder and regardless of the continued existence of the Project in a physical condition satisfactory to the City.

Until the principal of and interest on the Certificates have been fully paid or all the City's obligations under the Lease are satisfied and defeased, the City (1) shall not diminish, suspend or discontinue any payments provided for in the Lease, (2) shall perform and observe all of its other agreements contained in the Lease, and (3) shall not terminate the Lease.

The City has covenanted in the Lease to take such action as may be necessary to include and maintain all Base Rental payments and other payments due under the Lease for the Project in its annual budget, and to make the necessary annual appropriations for all such payments until all principal of and interest on the

Certificates shall have been paid or all obligations of the City under the Trust Agreement satisfied and terminated.

THE OBLIGATION OF THE CITY TO MAKE BASE RENTAL AND ADDITIONAL RENTAL PAYMENTS UNDER THE LEASE CONSTITUTES A BINDING OBLIGATION OF THE CITY IN ACCORDANCE WITH THE TERMS OF SAID LEASE. PROVIDED, HOWEVER, SO LONG AS NO DEFAULT OF ANY MONETARY OBLIGATION OF THE CITY HAS OCCURRED, THE CITY'S OBLIGATION TO PAY ANY AMOUNTS DUE OR PERFORM ANY COVENANTS REQUIRING OR RESULTING IN THE EXPENDITURE OF MONEY SHALL BE CONTINGENT AND EXPRESSLY LIMITED TO THE EXTENT OF ANY SPECIFIC, ANNUAL APPROPRIATION MADE BY THE CITY TO FUND SUCH LEASE. NOTHING CONTAINED IN THE LEASE SHALL CREATE ANY MONETARY OBLIGATION ON THE PART OF THE CITY BEYOND SUCH CURRENT AND SPECIFIC APPROPRIATION. THE CITY'S MAYOR AND BOARD OF ALDERMEN (THE "GOVERNING BODY"), IN ITS SOLE DISCRETION, MAY MAKE SAID PAYMENTS WITH ANY LAWFULLY AVAILABLE REVENUES, EXCEPT AS STATED IN THE TRUST AGREEMENT, NOTHING IN THE LEASE CREATES AN LIEN OF ANY KIND OR CHARACTER WHATSOEVER UPON ANY FUNDS, INCOME OR REVENUE NOW EXISTING OR HEREAFTER HELD, COLLECTED, RECEIVED, ANTICIPATED BY, OR AVAILABLE TO THE GOVERNING BODY OR PREVENTS OR RESTRICTS THE GOVERNING BODY AT ANY TIME FROM PLEDGING, OBLIGATING OR CREATING SPECIFIC LIENS UPON FUNDS, INCOME OR REVENUES TO OR FOR THE PAYMENT OF ANY BONDS, NOTES OR CERTIFICATES OF THE GOVERNING BODY OR FOR ANY OTHER PURPOSE WHATSOEVER. THE CITY HAS NOT PLEDGED OR LEVIED ANY FORM OF TAXATION FOR THE PAYMENT OF OUTSTANDING CERTIFICATES (SEE THE SECTION ENTITLED "LIMITATION ON AD VALOREM LEVIES" IN APPENDIX A HEREIN.)

THE OBLIGATION OF THE CITY UNDER THE LEASE IS NOT A GENERAL OBLIGATION AND DOES NOT CONSTITUTE A PLEDGE OF THE FULL FAITH AND CREDIT OF THE CITY, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION OR LIMITATION.

For certain information with respect to the City, including financial information, see APPENDIX A - "CITY OF PETAL, MISSISSIPPI INFORMATION STATEMENT", APPENDIX B - "FINANCIAL STATEMENTS" and APPENDIX C - "BUDGET".

The meaning of capitalized terms used in this Official Statement are set forth under the caption "GLOSSARY" unless otherwise defined herein, or in the Trust Agreement.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds are estimated to be as follows:

SOURCES OF FUNDS:

Principal Amount of Certificates.....\$
Accrued Interest (1).....\$
Total Sources.....\$

USES OF FUNDS:

Deposit to General Account of Construction...\$
and Acquisition Fund
Deposit to Administrative Expense Fund.....
Deposit to Costs of Issuance Account.....
Deposit to the Interest Account of the
Certificate Fund.....
Total Uses of Funds.....\$

(1) Represents accrued interest from February 1, 1993 to the date of delivery of the Certificates plus premium, if applicable.

GLOSSARY

"Acquisition Costs" means, with respect to the Project and related facilities, the contract price paid or to be paid to or at the direction of the Contractor for the acquisition, construction, installation or delivery of the Project and related facilities, in accordance with the General Construction Contract, and includes reimbursement to the City for any payments made to the Contractor by the City prior or subsequent to the execution of the Lease. Acquisition Costs also include the cost of the site of the Project, the costs of site preparation necessary for the construction and installation of the Project and related facilities, costs and expenses incurred in connection with the execution and delivery of the Certificates, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement and the Trust Agreement, and any and all other agreements, instruments, certificates, or other documents issued in connection therewith, any premium with respect to insurance of the Certificates, as well as administrative, engineering, legal, financial, advisory and other costs incurred in connection with the acquisition, construction, delivery, installation and financing of the Project and related facilities.

"Additional Rental" means those amounts, other than Base Rental, to be paid by the City under the Lease, including taxes, assessments and insurance premiums, and, to the extent not paid out of proceeds of the sale of the Certificates, the fees and expenses of the Trustee and the expenses incurred by the Corporation in connection with the execution, performance or enforcement of the Lease or the Trust Agreement or any of the transactions contemplated thereby.

"Administrative Expense Fund" means the trust fund established pursuant to the Trust Agreement for the payment of expenses of the Corporation or the City incidental to the execution and delivery of the Certificates and other administrative charges of the Corporation or the City in order to comply with the terms of the Certificates or the Trust Agreement.

"Agency Agreement" means that certain Agency Agreement dated as of February 1, 1993, by and between the Corporation and the City pursuant to which the Corporation names the City as its agent for purposes of constructing the Project and the related facilities.

"Assignment Agreement" means that certain Assignment Agreement, dated as of February 1, 1993, by and between the Corporation and the Trustee, pertaining to the assignment of all of the Corporation's right, title and interest (excluding the Corporation's obligation to cause the Project to be constructed and excluding the Corporation's right to indemnification and reimbursement for any costs or expenses) in and to the Lease and the Ground Lease to the Trustee for the benefit of the Owners of the Certificates.

"Base Rental" means those amounts set forth in the Lease and designated as Base Rental to be paid by the City for the use and occupancy of the Project, as such amounts may be adjusted from time to time in accordance with the terms of the Lease, but does not include Additional Rental. A table setting forth the Base Rental payments is included in APPENDIX B to this Official Statement.

"Base Rental Fund" means the trust fund established pursuant to the Trust Agreement, into which all Base Rental payments received by the Trustee shall be deposited.

"Business Day" means a day which is not a Saturday or Sunday, or a day on which the offices of the City are authorized or required by law to be closed, or a day on which banking institutions are authorized or required by law to be closed in the State of New York or the State of Mississippi for commercial banking purposes.

"Certificate Fund" means the trust fund established pursuant to the Trust Agreement for the payment or redemption of principal, interest and premium, if any, with respect to the Certificates.

"Certificate Obligation" means, as of any date of calculation, with respect to any Outstanding Certificate, the principal amount with respect thereto.

"Certificates" means the Certificates of Participation (Petal, Mississippi Public Building Project) offered by this Official Statement and representing proportionate interests in the Lease, including the right to receive Base Rental payments thereunder.

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"Closing Date" means _____, 1993, or such later date as may be set by the parties hereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"Construction Fund" or "Construction and Acquisition Fund" means the Construction and Acquisition Fund, a trust fund established under the Trust Agreement for the payment of costs of acquiring and constructing the Project and related facilities and costs of executing and delivering the Certificates.

"Contingency Account" means the Contingency Account established within the Certificate Fund established for the purpose of receiving any delinquent Base Rental payments, any proceeds of rental interruption insurance and any liquidated damages with respect to the Project.

"Corporation" means the Petal Public Improvement Corporation.

"Costs of Issuance" means all of the costs of issuing the Certificates, including, but not limited to, all printing and document preparation expenses in connection with the Trust Agreement, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement, the Certificates and the Official Statement, pertaining to the Certificates and any and all other agreements, instruments, certificates, or other documents issued in connection therewith; rating agency fees; CUSIP Service Bureau charges; market study fees; legal fees and expenses or counsel with respect to the financing of the Project; any computer and other expenses incurred in connection with the Certificates; the initial fees and expenses of the Trustee and any paying agent (including without limitation, origination fees and first annual fees payable in advance); and other fees and expenses incurred in connection with the issuance of the Certificates or the implementation of the financing for the Project.

"Costs of Issuance Account" means the account within the Construction and Acquisition Fund established for the payment of the Costs of Issuance with respect to the Certificates.

"County" means Forrest County, Mississippi.

"Excess Earnings Fund" means a Trust Fund established pursuant to the Trust Agreement, into which monies will be deposited pursuant to Section 3.07 of the Trust Agreement.

"Fiscal Year" means the fiscal year of the City, which currently is the period from October 1 to and including the following September 30.

"General Account" means the account established under the Trust Agreement in the Construction and Acquisition Fund into which

shall be deposited a portion of the proceeds of the sale of the Certificates.

"Ground Lease" means the Ground Lease, dated as of February 1, 1993, between the City and the Corporation pursuant to which the City leases the Property to the Corporation for construction thereon of the Project.

"Interest Account" means the account established in the Certificate Fund under the Trust Agreement.

"Interest Payment Date" means February 1 and August 1 in each year, commencing February 1, 1994, until the maturity or earlier redemption date of the Certificates.

"Lease" means the Lease and Option to Purchase, dated as of February 1, 1993, between the City as lessee and the Corporation as lessor pursuant to which the City leases the Property from the Corporation.

"Lease Year" means the period from the Closing Date through January 31, 1994, and thereafter each twelve month period from each February 1 to and including the last day of January of the following year, during the term of the Lease beginning with the period ending January 31, 1995.

"Official Statement" means this Official Statement, including the appendices hereto.

"Option Price" means the total amount necessary to defease all Outstanding Certificates (as such term is defined in the Trust Agreement) pursuant to and in accordance with Section 10.01 of the Trust Agreement.

"Original Purchaser" means _____.

"Outstanding" when used with respect to Certificates, means all Certificates theretofore executed and delivered by the Trustee under the Trust Agreement except:

(1) Certificates theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for payment or repayment of which funds or eligible securities in the necessary amount shall have theretofore been deposited with the Trustee in accordance with the Trust Agreement (whether on or prior to the maturity or redemption date of such Certificates), provided that, if such Certificates are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Trust

Agreement or provision satisfactory to the Trustee shall have been made for the giving of notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Trust Agreement.

"Owner" means the registered owner, as indicated in the Certificate Register, of any Certificate.

"Principal Account" means the Principal Account established within the Certificate Fund under the Trust Agreement.

"Project" means collectively, the Property and the Improvements to be constructed on the Property and equipment to be acquired and installed on the Property with the proceeds of the Certificates.

"Property" means the real property which is leased by the City to the Corporation pursuant to the Ground Lease and on which the Improvements are to be located.

"Property Insurance" means the insurance required to be maintained by the City as described in clauses (1) and (3) of the Lease.

"Qualified Investments" means and includes all securities, instruments and the like in which the City is authorized to invest its funds in accordance with applicable state law and the rules and regulations promulgated by the State Treasurer pursuant to Section 31-19-5, Mississippi Code of 1972, as amended.

"Record Date" means the close of business on the fifth (5th) day of the month before an Interest Payment Date.

"Redemption Account" means the Redemption Account established within the Certificate Fund under the Trust Agreement.

"Rental Deposit Date" means the day which is five days prior to the date on which the next payment of Base Rental is scheduled to become payable.

"Total Maturity Amount" means, with respect to any Outstanding Certificate, the aggregate principal amount thereof.

"Trust Agreement" means the Trust Agreement dated as of February 1, 1993, between the City and the Trustee providing for the execution and delivery of the Certificates and providing the terms of the Certificates.

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"Trustee" means _____, acting as Trustee under the Trust Agreement, and any successor trustee thereunder.

THE PROJECT

Location and Description

The City will lease the Property to the Corporation, and the Corporation will agree to cause the Improvements to be acquired, constructed and installed thereon. Pursuant to the Agency Agreement, the Corporation has appointed the City as agent of the Corporation in connection with the acquisition, construction, delivery and installation of the Improvements and related facilities.

The public building to be leased will consist of approximately 7,446 square feet and approximately fourteen acres of land. The building is to be used for a multi-purpose community center located in Petal, Mississippi.

THE CERTIFICATES

General Provisions

The Certificates represent proportionate interests in the Lease, including the right to receive a proportionate share of Base Rental payments thereunder.

Details of Certificates. The Certificates will be issued in fully registered form in \$5,000 denominations or any integral multiple thereof. Interest with respect to the Certificates will be computed using a year of 360 days comprised of twelve 30-day months and is payable on February 1 and August 1 of each year, commencing February 1, 1994. The Certificates will mature on the dates and in the principal amounts, with interest computed at the rates, as set forth on the cover page of this Official Statement.

Principal of Certificates will be payable upon surrender thereof at maturity or the earlier redemption thereof at the corporate trust office of the Trustee in _____, or the office of any paying agent. Amounts designated as interest will be payable by check or draft, mailed to the persons who are the registered Owners as of the Record Date for such payment, as their names and addresses appear on the Certificate Register maintained by the Trustee.

Registration, Transfer and Exchange. The registration of any Certificate may be transferred upon the surrender of such Certificate to the Trustee and payment of such reasonable transfer fees as the Trustee may establish. Certificates may be exchanged at the corporate trust office of the Trustee for a new Certificate

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of like tenor and maturity in the same Total Maturity Amount and in authorized denominations. The Trustee may charge the Owner of a Certificate surrendered for exchange a reasonable sum for each new Certificate executed and delivered upon such exchange and the Trustee may require the payment by such Owner of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee shall not be required to register the transfer or exchange of any Certificate that has been called or is subject to being called for redemption, during a period beginning at the opening of business fifteen (15) days before any selection of Certificates to be prepaid through the close of business on the applicable payment date, except for the unredeemed portion of any Certificate prepaid only in part.

Redemption Prior to Maturity

Optional Redemption. Certificates maturing on February 1, 1999, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on February 1, 1998, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

Redemption from Insurance Proceeds and Condemnation Awards. The Certificates are subject to mandatory redemption, in whole or in part, on any date, without premium at a price equal to the principal amount thereof plus accrued but unpaid interest from the following sources:

(a) proceeds of any Property Insurance, including the proceeds of any self-insurance fund, or the proceeds of any condemnation award, which have not been applied to repairing or replacing damaged, destroyed or taken property;

(b) proceeds of title insurance received as a result of a title defect in respect of the Project, if the City determines that such title defect has materially affected the Project; and

(c) proceeds of damages or other payments received by the Trustee from the enforcement of any rights and powers of the Trustee under the Lease after payment of overdue interest and principal with respect to the Certificates.

Redemption From Excess Construction Fund Moneys. The Certificates are subject to mandatory redemption, in whole or in part, on any date, without premium, at a redemption price equal to the principal amount thereof, plus accrued but unpaid interest, from moneys transferred to the Redemption Account within the Certificate Fund from the General Account of the Construction Fund after completion of the Project.

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Notice. Notice of redemption identifying the numbers of Certificates or portions thereof to be redeemed shall be given to the 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. From and after such redemption date, interest with respect to the Certificates to be redeemed will cease to accrue.

SOURCES OF PAYMENT

The Certificates represent proportionate interests in the Lease including, in particular, the right to receive a proportionate share of the Base Rental payments to be made by the City under the Lease. The Base Rental payments are to be paid from the general fund of the City or any other source of funds lawfully available therefor. In the Lease, the City covenants to take such action as may be necessary to include all Base Rental payments in its annual budget and to make the necessary annual appropriations for all such Base Rental payments.

The obligation of the City to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default or any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the City to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The City's Mayor and Board of Aldermen (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Trust Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The City has not pledged or levied any form of taxation for the payment of Outstanding Certificates (see the section entitled "Limitation on Ad Valorem Levies" in APPENDIX A herein.)

The obligation of the City under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

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No Right to Abatement Upon Damage, Destruction or Taking

The obligations of the City to make the payments required by the Lease thereof and to perform and observe the other agreements on its part contained in the Lease and Trust Agreement shall be absolute and unconditional, regardless of whether the Project shall have been entirely completed at the time the first payment becomes due hereunder and regardless of the continued existence of the Project in a physical condition satisfactory to the City. Until such time as the principal of and interest on the Certificates shall have been fully paid or all the City's obligations under the Lease and the Trust Agreement satisfied and defeased, the City (1) shall not diminish, suspend or discontinue any payments provided for in the Lease, (2) shall perform and observe all of its other agreements contained in the Lease, and (3) shall not terminate the Lease for any cause.

Under the Lease (see the caption "SUMMARY OF FINANCING DOCUMENTS - Lease"), the City agrees to secure and maintain at all times a policy or policies of insurance against loss or damage to the Project known as "all risk." Such insurance shall be maintained at all times in an amount not less than the aggregate amount of Certificates Outstanding at such time. If the required insurance is not available from reputable insurers at a reasonable cost, the City shall be required to self-insure to the extent necessary to enable it to repair or replace the Project in accordance with the provisions of Section 4.2 of the Lease.

The Lease requires that the proceeds of the Property Insurance received in respect of destruction of or damage to the Project shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement, unless the City elects pursuant to the Trust Agreement to apply such proceeds to the replacement, repair or reconstruction of the Project. For a description of the City's options with respect to the repair or replacement of the Project and the use of Property Insurance proceeds, see "SUMMARY OF FINANCING DOCUMENTS - Trust Agreement - Property Insurance and Condemnation Proceeds."

SUMMARY OF FINANCING DOCUMENTS

The following are summaries of certain provisions contained in the Ground Lease, the Lease, the Trust Agreement, the Assignment Agreement and the Agency Agreement and are not to be considered full descriptions thereof.

Ground Lease

Under the Ground Lease, the City has leased, at the stated advance rental of \$1.00, the real property which will be the site of the Project. Such Property is leased to the corporation for a term expiring upon the earlier of (i) January 31, 2003 or (ii) the

date of termination of the lease or the purchase by the City of the Corporation's leasehold interest in the Project.

Lease

Rentals. Under the Lease, the City promises to make Base Rental payments for the use of the Project. Base Rental payments will be distributed by the Trustee to the Owners of the Certificates. The City also promises to pay Additional Rental. The Lease is a triple net lease, and the City is obligated accordingly to pay all utility charges, maintenance expenses and other costs associated with the operation and possession of the Project. Base Rental due August 1 in any year shall be for the period February 1 of the said year through July 31 of such year, and Base Rental due February 1 in any year shall be for the period August 1 of the prior year through the last day of January of such year. To secure the performance of its obligation to pay Base Rental, the City is required to deposit each Base Rental payment with the Trustee on or before the fifth day preceding the date on which the Base Rental payment is due. The Corporation has, in the Assignment Agreement, assigned to the Trustee its rights to receive the Base Rental.

Term of Lease. The Lease Term begins on the Closing Date and ends January 31, 2003 or at such earlier time as the Certificates have been paid or provision for their payment has been made in accordance with the provisions of the Lease and the Trust Agreement.

Upon payment of all Base Rental and Additional Rental required by the Lease or upon the sale of the Project to the City or its assignee pursuant to the exercise of the option to purchase the Project described below, the Lease shall terminate and title to the Project, and any improvements thereon or additions thereto, shall be transferred directly to the City or, at the option of the City, to any assignee or nominee of the City in accordance with the provisions of the Lease.

Option to Purchase. The City is given the exclusive right and option which shall be irrevocable during the term of the Lease to purchase the Lessor's interest in the Project on any Business Day, upon payment of the option price, but only if the City is not in default under the Lease or the Trust Agreement. The option price is the total amount necessary to defease all Outstanding Certificates pursuant to and in accordance with the Trust Agreement.

Construction of Project. The Corporation shall agree to cause the Project and the related facilities to be constructed and installed and shall authorize the City to enter into and to provide for, or cause to be provided for, the complete construction and installation of the Project and the related facilities in

accordance with the terms of the Lease, the plans, and the General Construction Contract, as hereinafter defined. Bids for contracts for construction of each phase of the Project (collectively the "General Construction Contract") will be solicited by publication therefor as required by law. The Board will examine and approve all contractors and their bids for each phase before award of the contract for that phase. If the actual acquisition and construction costs of the Project as approved by the Board is greater than the Engineer's estimated costs on which the Corporation's bid was based, the City shall pay to the Trustee, for deposit to the Construction and Acquisition Fund, the amount necessary to provide sufficient funds for payment of the actual acquisition and construction costs of completing the Project as approved by the Board. Change orders shall be approved only upon the terms and conditions set forth in the Agency Agreement. Payment for the costs of constructing and installing the Project and the related facilities shall be made from the moneys deposited in the Construction and Acquisition Fund. The Corporation agrees that it will cause the construction, acquisition, delivery and installation of the Project and the related facilities to be diligently performed in accordance with the Lease and any applicable requirements of governmental authorities and law.

Covenant to Repair. During the term of the Lease, the City shall, at its own expense, maintain the Project, or cause the Project to be maintained, in good order, condition and repair and shall replace any portion of the Project which is destroyed; provided that the City shall not be required to repair or replace any such portion of the Project pursuant to the Lease if there shall be applied to the redemption of Certificates insurance proceeds or other lawfully available funds sufficient to redeem (i) all of the Certificates Outstanding or (ii) any portion thereof, and the rental payments allocable to the remaining portion of the Project equals the pro rata portion of Base Rental allocable to the Certificates Outstanding after such redemption.

Insurance. The City is required to secure and maintain or cause to be secured and maintained at all times with insurers of recognized responsibility, or, to the extent allowed below, through a program of self-insurance, all coverage on the Project described below.

Such insurance shall consist of:

(1) A policy or policies of insurance against loss or damage to the Project known as "all risk." Such insurance shall be maintained at all times in an amount not less than the aggregate amount of Certificate Obligation at such time Outstanding. Such insurance may at any time include a deductible clause providing for a deductible not to exceed 10% of the total loss per occurrence for all losses in any year; provided, however, that in the event the insurance required

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under this clause (1) is not available from reputable insurers at a reasonable cost, the City shall be required to self-insure to the extent necessary to enable it to repair or replace the Project;

(2) Comprehensive general liability coverage against claims for damages including death, personal injury, bodily injury or property damage arising from operations involving the Project; in an amount recommended from time to time by the City's risk management officer or an independent insurance consultant retained by the City for that purpose; the City's obligation under this clause (2) may be satisfied by self-insurance in an amount based on the recommendation of an independent insurance consultant retained by the City;

(3) From and after substantial completion of the Project which may be evidenced by a Certificate of Completion, boiler and machinery coverage against loss or damage by explosion of steam boilers, pressure vessels and similar apparatus now or hereafter installed in the Project in an amount not less than \$1,000,000.00 per accident;

(4) Workers' compensation insurance issued by a responsible carrier authorized under the laws of the State (to insure employers against liability for compensation under the laws of the State;) provided, however, that the City's obligations under this clause (4) may be satisfied by self-insurance.

On or before October 1 of any Lease Year, the City shall provide the Trustee a certificate of a City Representative stating that the City is in compliance with the insurance requirements set forth above.

Application of Property Insurance Proceeds. Proceeds of Property Insurance received in respect of destruction of or damage to the Project by fire or other casualty or event shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement. (See the caption "SUMMARY OF FINANCING DOCUMENTS - Trust Agreement - Property Insurance and Condemnation Proceeds.")

Eminent Domain. If the Project, or any portion thereof, shall be taken under the power of eminent domain, the Lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary. Any award made in eminent domain proceedings for the taking shall be paid to the Trustee for application in accordance with the provisions of the Trust Agreement.

Default. Any of the following shall be defaults under the Lease: (i) the City shall fail to deposit with the Trustee any Base

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Rental on the day such deposit is required to be made, (ii) the City shall fail to pay any item of Additional Rental when the same shall become due and payable or (iii) the City shall breach any other terms, covenants or conditions contained in the Lease or in the Trust Agreement and shall fail to remedy any such breach with all reasonable dispatch within a period of 30 days after written notice thereof from the Lessor to the City; provided, however, that if the failure stated in the notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the City within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interest of the Owners of the Certificates.

Remedies. Upon the happening of an event of default, the Lessor may (i) terminate the Lease, (ii) with the consent of the City, which consent shall not be unreasonably withheld, keep the Lease in full force and effect and relet or sell the Project for the account of the City, and the City will remain liable for any cumulative net deficiency of rental payments under the Lease, (iii) terminate the Lease and relet the premises or sell the Project, (iv) enforce all of the rights and remedies under the Lease as they mature against the City, and (v) exercise such other remedies as may be legally available.

Subleases. The City may sublease all or any portion of the Project or grant concessions to others for the use of all or part of the Project as may be necessary or convenient or assign its right to purchase the Project pursuant to the Lease, but the City will remain liable for all of its obligations under the Lease.

Trust Agreement

Funds and Accounts. Under the Trust Agreement, the Trustee holds the Construction and Acquisition Fund, including the General Account and the Costs of Issuance Account therein, the Administrative Expense Fund, the Base Rental Fund, the Certificate Fund, including the Interest Account, the Principal Account, the Redemption Account and the Contingency Account therein and the Excess Earnings Fund. The amounts in the Base Rental Fund and the Certificate Fund are pledged to payment of the Certificates. The Excess Earnings Fund is held for the benefit of the federal government.

Construction and Acquisition Fund. On the Closing Date moneys will be deposited into the General Account and into the Costs of Issuance Account of the Construction and Acquisition Fund. Amounts in the Costs of Issuance Account will be used to pay costs and expenses related to the execution, delivery and sale of the Certificates. Any amount not used for such purpose is to be transferred to the General Account. Amounts in the General Account are to be used to pay Acquisition Costs, which, with respect to the

Project and the related facilities, include the contract price paid for the acquisition, construction, installation or delivery of the Project and the related facilities, in accordance with the Construction Contract, and include reimbursement to the City for any payments made to the Contractor by the City prior or subsequent to the execution of the Lease. Acquisition Costs also include the cost of the sites of the Project, the costs of site preparation, costs and expenses incurred in connection with the execution and delivery of the Certificates, the Ground Lease, the Lease, the Assignment Agreement, the Agency Agreement and the Trust Agreement, and any and all other agreements, instruments, certificates or other documents issued in connection therewith, any premium with respect to insurance of the Certificates, as well as administrative, engineering, legal, financial and other costs incurred in connection with the acquisition, construction, delivery, installation and financing of the Project and related facilities.

If, after payment of the Acquisition Costs, there shall remain any balance of moneys in the General Account, all money so remaining shall be transferred, first, to the Redemption Account in the Certificate Fund, and second, to the Interest Account of the Certificate Fund.

Base Rental Fund. The Base Rental Fund is established to receive amounts deposited on account of Base Rental payments with the exception of delinquent Base Rental payments. Moneys in the Base Rental Fund are to be transferred by the Trustee to the Principal Account and Interest Account within the Certificate Fund on the applicable Interest Payment Dates or redemption dates in an amount which, together with money on deposit therein, equals the interest and principal then due or required to be prepaid with respect to the Certificates. Any amounts remaining in the Base Rental Fund on February 1 of each year after the foregoing transfers have been made shall be remitted to the City.

Certificate Fund. Moneys available in the Interest Account and the Principal Account shall be applied by the Trustee to the payment of interest or principal payable on any Interest Payment Date or redemption date. Any delinquent Base Rental payments, proceeds of rental interruption insurance and any liquidated damages will be deposited in the Contingency Account and shall be transferred first, to the Interest Account and Principal Account, in such order of priority, for payment of past due interest and principal payments. Any amounts remaining in the Contingency Account after the foregoing transfers have been made shall be transferred to the Base Rental Fund. Property insurance proceeds and condemnation awards not used to repair or replace the Project, the proceeds of title insurance received by the Trustee in the event of a title defect and damages or other payments received by the Trustee from the enforcement of any rights under the Lease and the Trust Agreement will be deposited into the Redemption Account

maintained in the Certificate Fund and applied to the redemption of Certificates.

Administrative Expense Fund. The Administrative Expense Fund is established for the purpose of paying the expenses of the Corporation or the City incidental to the execution and delivery of the Certificates and other related administrative charges not otherwise paid or provided for out of Certificate proceeds.

Investment. All moneys held by the Trustee in any of the funds established under the Trust Agreement must be invested in Qualified Investments so as to obtain the highest yield practicable, giving due regard to the safety of such funds and the date upon which such funds will be required for the uses and purposes specified in the Trust Agreement, subject, however, to instructions as to investment from the City.

Surplus. After payment of all amounts due with respect to the Certificates and payment of all fees and expenses to the Trustee, or satisfactory provision for such payments having been made, any amounts remaining in any of the funds or accounts established hereunder and not required for such purposes shall be remitted to the City and used for any lawful purpose thereof.

Property Insurance and Condemnation Proceeds. The proceeds of any Property Insurance, including the proceeds of any self-insurance fund, and the proceeds of any condemnation award, received on account of any damage, destruction or taking of the Project shall be held by the Trustee in an account (the "Special Account") and made available for, and to the extent necessary be applied to, the cost of repair or replacement of the Project.

Notwithstanding the foregoing, the City shall notify the Trustee within 90 days of the receipt by the Trustee of the Property Insurance or condemnation proceeds, whether the City intends to replace or repair the portion of the Project with respect to which such proceeds were received. If the City elects to replace or repair such portion of the Project, the City is required to deposit with the Trustee the full amount of any insurance deductible to be credited to the Special Account. The City shall be required to replace or repair such portion of the Project, unless (i) the City deposits the full amount of any insurance deductible necessary, together with the proceeds of insurance, to redeem prior to maturity the Certificates relating to such portion of the Project and (ii) the Base Rental with respect to the remaining portion of the Project is sufficient to pay the Certificate Obligation and interest due with respect to the Certificates to remain Outstanding after the date on which Certificates relating to such portion of the Project are redeemed. The proceeds of any Property Insurance, including the proceeds of any self-insurance fund, or the proceeds of any condemnation award, not applied to repairing or replacing damaged, destroyed or taken

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property, or in respect to which notice in writing by the City of its intention to apply the same to the work of repairing or replacing the property damaged, destroyed or taken shall not have been given to the Trustee within 90 days after receipt of such proceeds by the Trustee, or which the City shall at any time during such period have notified the Trustee are not to be so applied, shall forthwith be deposited into the Redemption Account and applied to the redemption of Certificates in accordance with the Trust Agreement.

Title Insurance. Proceeds of any policy of title insurance received by the Trustee in respect of the Project shall (a) if the City determines that the title defect does not materially affect the operation of the Project be remitted to the City; or (b) if the City determines that such title defect has materially affected a portion of the Project, be deposited in the Redemption Account of the Certificate Fund and applied to the redemption of Certificates.

Tax Covenant. The City covenants in the Trust Agreement that, in order to maintain the exclusion from gross income for federal income tax purposes of the portion of Base Rental designated as and comprising interest on the Certificates, the City will comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Code, in that the City agrees to comply with the covenants contained in, and the instructions given pursuant to, the Non-Arbitrage Certificate. The Trustee agrees to comply with any instructions received from the City which the City indicates must be followed in order to comply with the Non-Arbitrage Certificate.

Compliance With Trust Agreement. The City agrees to faithfully observe all covenants and other provisions contained in the Trust Agreement, in each Certificate and in the Lease. Except as provided in the Lease, the City agrees that it will not agree to any amendment to the Lease that would either lengthen the term thereof or reduce the amount of Base Rental or Additional Rental payable thereunder, or change the time or times of payment of such Base Rental or Additional Rental, or agree to any other amendment detrimental to the rights of the Owners of the Certificates.

Prosecution and Defense of Suits. The City agrees that it will promptly take such action as may be necessary to cure any defect in the title to the Project and shall prosecute and defend all such suits, actions and all other proceedings as may be appropriate for such purpose. The City covenants that it will pursue eminent domain proceedings as may be necessary to acquire the Property.

No Extension of Time of Payment. The City agrees that it will not directly or indirectly extend the dates upon which the Base Rental payments are required to be paid or prepaid, or the time of payment of interest with respect thereto. Such covenant, however, states that it shall not limit the right of the City to

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issue any securities for the purpose of providing funds for the redemption of the Certificates and such issuance shall not be deemed to constitute an extension of the maturity of the Certificates.

Defaults; Remedies. The following are "events of default" under the Trust Agreement:

(a) An event of default shall have occurred under the Lease involving the failure by the City to pay Base Rental or Additional Rental when due.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under the Trust Agreement or the Lease, other than such failure as may constitute an event of default under clause (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given; provided, however, that if the failure stated in the notice cannot be corrected within such period, then such period will be extended so long as corrective action is instituted by the City within such period and diligently pursued until the default is corrected, but only if such extension would not materially adversely affect the interest of any Owner.

Upon the occurrence and continuance of any event of default specified in (a) above, the Trustee shall proceed, or upon the occurrence and continuance of any other event of default under the Trust Agreement, the Trustee may proceed (and upon written request of the Owners of not less than a majority in aggregate amount of Certificate Obligation then Outstanding shall proceed), to exercise the remedies set forth in the Lease and the Trust Agreement. The Trustee shall take any appropriate action to cause the City to pay any Base Rental payment not paid when due, upon written request and authorization by the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding, and upon being satisfactorily indemnified against any expense and liability with respect thereto and after receiving payment for its fees and expenses.

In the event the Trustee fails to take any action to eliminate an event of default under the Lease or the Trust Agreement, including the collection of Base Rental when due, the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding may institute any suit, action, mandamus or other proceeding in equity or at law for the protection or enforcement of any right under the Lease or the Trust Agreement, but only if such Certificate Owners shall have first made written request of the Trustee and shall have afforded the Trustee a reasonable opportunity to proceed in its name and unless, also, the Trustee shall have been offered reasonable security and indemnity against

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costs, expenses and liabilities, and the Trustee shall have refused or neglected to comply with such request within a reasonable time.

Defeasance. The obligations of the Trustee and the City under the Trust Agreement with respect to all Outstanding Certificates executed and delivered will terminate (except the obligation of the Trustee to pay or cause to be paid to Certificate Owners sums received pursuant to the terms of the Lease and due with respect to such Certificates and the obligation of the City to pay the fees and expenses of the Trustee) when (i) all amounts designated as principal and interest with respect to the Certificates have been paid; (ii) money has been deposited, at or, in the event of redemption prior to maturity thereof, before maturity, in trust with the Trustee in an amount sufficient to pay all Outstanding Certificates, including all principal, premium, if any, and interest at or before their respective maturity dates; or (iii) cash or direct obligations of the United States Treasury; obligations of a state, a territory or a possession of the United States, or any political subdivision of any of the foregoing or of the District of Columbia, within the meaning of Section 103(c) of the Code, which are rated "AAA/Aaa" by Standard & Poor's Corporation and Moody's Investors Service, Inc. and which are not guaranteed, either directly or indirectly, by direct or indirect obligations of the United States within the meaning of Section 149(b) of the Code; noncallable obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Federal Home Loan Mortgage Corporation or the Government National Mortgage Association; or in such other federal securities as may be permitted under regulations issued pursuant to Section 149(b) of the Code which, in the opinion of nationally recognized bond counsel, will not impair the exclusion, if any, from gross income for federal income tax purposes of interest due with respect to the Certificates, have been deposited in trust with the Trustee which, together with the interest to accrue thereon, are sufficient to pay all Outstanding Certificates, including all principal, premium, if any, and interest at or, in the event of redemption prior to maturity thereof, before their respective maturity dates.

Limitation of Liability. The Trust Agreement contains certain provisions limiting the liability of the parties thereto, including the following provisions;

(i) except for the payment of Base Rental and Additional Rental when due in accordance with the Lease and the performance of the other covenants of the City contained in the Lease, the Ground Lease, the Certificates and the Trust Agreement, the City will have no other obligation or liability to the Trustee or the Owners of the Certificates;

(ii) except as otherwise provided in the Trust Agreement, the Trustee will not have any obligation or liability to

Owners of the Certificates with respect to the payment of Base Rental payments by the City under the Lease;

(iii) the Trustee will not be responsible for (a) providing information to Certificate Owners concerning the investment quality of the Certificates, (b) the performance by the City of duties imposed upon it by the Trust Agreement, (c) the validity or sufficiency of the Trust Agreement, the Ground Lease, the Lease, the Assignment Agreement or the Certificates, or (d) the value of, or title to, the Project; and

(iv) The City shall not have any obligation or liability to any other party or to the Owners with respect to the performance by the Trustee of any duty imposed upon it by the Trust Agreement.

The Trust Agreement may be amended with the consent of the Owners of a majority in aggregate amount of Certificate Obligation then Outstanding, or without such consent (i) for the purpose of curing any ambiguity or omission relating thereto, or of curing, correcting or supplementing any defective provision contained in the Trust Agreement; (ii) in regard to questions arising under the Trust Agreement which the City and the Trustee may deem necessary or desirable and not inconsistent with the Trust Agreement and which do not adversely affect the interests of the Certificate Owners; or (iii) for any other reason, provided such modification or amendment does not adversely affect the interests of the Owners of the Certificates. The City and the Trustee may rely in entering into any such modification or amendment upon an opinion of counsel stating that the foregoing requirements have been met with respect to such amendment. No amendment may impair the right of any Certificate Owner to receive the share of Base Rental with respect to such Owner's Certificate.

Assignment Agreement

Under the Assignment Agreement, the Corporation assigns and transfers to the Trustee, for the benefit of Certificate Owners, all of its right, title and interest in and to the Ground Lease and the Lease (excepting only its obligation to cause the Project to be constructed in accordance with the Lease and its rights to indemnification and payment, or reimbursement, of its costs and expenses), including its right to receive Base Rental payments and its right to enforce the payment of Base Rental payments pursuant to the Lease. The Trustee accepts such assignment for the purpose of securing such payments and rights to the Certificate Owners, subject to the provisions of the Trust Agreement.

Agency Agreement

Under the Agency Agreement, the Corporation appoints the City as its agent in connection with the acquisition, construction, delivery and installation of the Project and related facilities in accordance with the General Construction Contract. The City, as the agent of the Corporation for the foregoing purpose, accepts the appointment as agent and agrees to cause the acquisition, construction, delivery and installation of the Project and related facilities to be completed in accordance with the Lease and any applicable requirements of governmental authorities and law. The City may approve changes in the plans and specifications of the Project, so long as any such change does not, and all such changes as a whole do not, (i) reduce the value of the Project or substantially alter the nature of the Project, (ii) unless the City contributes or makes available an amount equal to such excess to the General Account of the Construction and Acquisition Fund, increase the total cost of the construction and acquisition of the Project, to be paid from the proceeds of the sale of the Certificates, to an amount in excess of \$515,000 or (iii) otherwise materially alter the terms and conditions set forth in the Lease.

The Corporation and the City as its agent shall deposit or cause to be deposited in the Contingency Account of the Certificate Fund all liquidated damages received by the Corporation or the City as its agent pursuant to the General Construction Contract.

TAX MATTERS

In the opinion of Crosthwait, Terney, Noble & Allain, Special Counsel, under existing statutes, regulations, rulings and court decisions, the portion of each Base Rental payment due under the Lease designated as and comprising interest and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. Special Counsel is further of the opinion that the portion of each Base Rental payment due under the Lease designated as and comprising interest and received by the Owners of the Certificates is exempt from personal income taxes of the State of Mississippi under present state law.

In addition, Special Counsel is of the opinion that the Certificates are not "private activity bonds" as defined in Section 141(a) of the Code and, therefore, interest with respect to the Certificates is not an item of tax preference for purposes of the Code's alternative minimum tax provisions, except to the extent provided in the following sentence. Interest with respect to the Certificates received by a corporation will be included in book income and earnings and profits for purposes of computing its alternative minimum tax and, as described below, for purposes of computing its Superfund "environmental tax" liability.

In rendering such opinion, Special Counsel has relied upon representations and covenants of the City in the Trust Agreement and in the City's Non-Exempt Certificate concerning the investment and use of Certificate proceeds and the rebate to the federal government of certain earnings thereon. In addition, Special Counsel has assumed that all such representations are true and correct and that the City will comply with such covenants. Special Counsel has expressed no opinion with respect to the exclusion of interest with respect to the Certificates from gross income under Section 103(a) of the Code in the event that any of such City representations are untrue or the City fails to comply with such covenants.

Although Special Counsel has rendered an opinion that interest with respect to the Certificates is excluded from gross income to the extent described above, the Owners of the Certificates should be aware that the receipt of interest with respect to the Certificates may otherwise affect the federal income tax liability of the recipient. The presence of any such effect, as well as the magnitude thereof, depends on the specific factual situation with respect to the particular recipient of such interest. Special Counsel has expressed no opinion regarding any impact of ownership or disposition of the Certificates other than as expressly described above.

The Code disallows the deduction allowed to financial institutions for the interest on debt used to purchase or carry tax-exempt bonds by disallowing the inclusion in the calculation of interest expense of financial institutions of 100 percent of the interest allocated to tax-exempt obligations acquired after August 7, 1986. An exception to the general disallowance is permitted for certain tax-exempt obligations such as the Bonds under which financial institutions may continue to treat the interest on the Bonds as being subject to the 20 percent disallowance provision under prior law if the City reasonably expects it will not issue more than \$10,000,000 of governmental use bonds in the calendar year and designates such bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Code.

The City has determined that the Certificates may be designated as "qualified tax-exempt obligations," and has so designated the Certificates, thereby permitting a financial institution, beginning with its taxable year ending after December 31, 1986, to treat interest allocable to the Certificates as being subject to the 20 percent disallowance provision.

Corporations should be aware that on October 17, 1986 President Reagan signed new legislation, H.R. 2005, generally referred to as the "Superfund Act," which imposes a 0.12% deductible tax on a corporation's adjusted minimum taxable income in excess of \$2 million. For purposes of calculating this tax, interest with respect to the Certificates will be included in book

income and earnings and profits, a portion of which may be included in alternative minimum taxable income.

CERTAIN LEGAL MATTERS

Crosthwait, Terney, Noble & Allain, Special Counsel, will render an opinion with respect to the Lease and the Certificates, substantially in the form set forth in APPENDIX D to this Official Statement. Copies of such opinion will be available at the time of delivery of the Certificates. Certain legal matters will be passed upon for the City by Thomas Tyner, Hattiesburg, Mississippi.

LITIGATION

There are no pending legal proceedings which might be expected to affect the City's ability to perform its obligations under the Lease.

VALIDATION

The Lease was validated by the Chancery Court of Forrest County as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended. The validation decree shall be final and binding.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Certificates. Quotations, summaries and explanations of the Certificates and of statutes and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

The City regularly prepares a variety of reports, including audits, budgets and related documents, as well as certain monthly activity reports. Any Owner of a Certificate may obtain a copy of any such report, as available, from the City.

The preparation and distribution of this Official Statement have been authorized by the City's Mayor and Board of Aldermen.

The Original Purchaser shall file the Official Statement with a nationally recognized municipal securities information repository (a "Repository") at the earliest practicable date after the date of delivery of the Certificates. 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 Original Purchaser on or prior to such date, or (b) the date on which the "end of the underwriting period" for the Certificates has occurred under Rule 15c2-12. The Original Purchaser shall notify the City

Transportation

EXHIBIT 413
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 Hattiesburg 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 Belt 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 Income

Year	County	Mississippi	United States	County as % of U. S.
1990	\$13,227	\$12,830	\$18,591	70.8%
1989	12,571	12,077	17,731	70.9
1988	11,696	11,321	16,598	70.5
1987	11,051	10,392	15,494	71.3

SOURCE: U.S. Bureau of Economic Analysis, Regional Economics Information System, Mississippi Personal Income by Major Source, 1987-1990, February, 1993.

Major Employers

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

Employer	Employees	Product/Service
Petal School District	342	Public Education
City of Petal	72	City Government
Wal-Mart	92	Retail Chain
Sunflower	53	Retail Chain
Jitney-Jungle	40	Retail Chain

SOURCE: Office of the City Clerk, February, 1993.

Retail Sales

State Fiscal Year Ended June 30	Amount
1991	\$50,674,239
1990	51,242,837
1989	51,970,009
1988	47,554,366
1987	46,436,912

SOURCE: Mississippi State Tax Commission, Service Bulletin, 1987 through 1991.

Unemployment Statistics of the County

	1992	1991	1990	1989	1988
January	6.0%	6.8%	5.3%	6.5%	5.7%
February	6.3	6.5	5.1	5.7	5.8
March	6.0	6.4	6.1	5.7	5.2
April	5.6	6.0	5.2	5.4	4.9
May	6.3	6.9	4.8	6.0	5.3
June	8.2	8.5	7.0	7.6	6.9
July	7.8	7.6	6.8	5.8	7.2
August	7.3	7.3	6.9	5.4	6.9
September	6.7	6.6	5.8	4.9	7.1
October	5.8	6.0	5.4	4.3	6.2
November	4.8	5.3	5.9	4.2	6.7
December	5.3	5.5	6.2	4.0	6.0
Annual Average	6.4%	6.6%	5.9%	5.5%	6.2%

SOURCE: Mississippi Employment Security Commission, Research and Statistics Department, February, 1993.

Employment Statistics of the County

	1991	1990	1989	1988	1987
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	32,610	33,380	32,950	31,680	31,750
II. Unemployed	2,160	1,960	1,800	1,950	2,560
III. Unemployment Rate	6.6%	5.9%	5.5%	6.2%	8.1%
IV. Employed	30,450	31,420	31,150	29,730	29,190
A. Nonagricultural Wage and Salary Workers	27,920	28,700	28,350	27,220	26,550
B. Other Nonagricultural Workers	2,240	2,450	2,820	2,260	2,370
C. Agricultural Workers	290	270	280	250	270

ESTABLISHMENT BASED
EMPLOYMENT

EXHIBIT "H"

I. Manufacturing	4,290	4,490	5,030	4,570	4,110
II. Nonmanufacturing	29,700	30,290	29,420	28,240	27,400
A. Mining	160	120	130	120	110
B. Construction	1,200	1,220	1,220	1,270	1,260
C. Transportation & Public Utilities	1,310	1,330	1,330	1,340	1,270
D. Wholesale and Retail Trade	8,120	8,560	8,420	8,680	8,590
E. Finance, Insurance & Real Estate	1,650	1,690	1,600	1,560	1,530
F. Service and Miscellaneous	6,520	6,370	6,050	5,650	5,120
G. Government	10,740	11,000	10,660	9,620	9,520
Public Education	5,710	5,750	5,640	5,290	5,360

SOURCE: Mississippi Employment Security Commission, Annual Averages 1982-91, February, 1993.

Banking Institutions

Institution	1991 Total Assets
Bank of Mississippi*	\$1,591,284,872
Deposit Guaranty National Bank**	3,899,323,000
Sunburst Bank***	1,475,278,000
Trustmark National Bank**	3,878,394,000

- * Main office is located in Tupelo.
- ** Main office is located in Jackson.
- *** Main office is located in Grenada.

SOURCE: Mississippi Bankers Association, Mississippi Bank Directory, 1992.

Educational Facilities

The Petal School District (the "District") serves the entire City and a large rural area east of the Leaf River to the Jones County and Perry County line. The District currently operates two elementary schools, one middle school, and one high school, and employs approximately 225 teachers and 132 support personnel.

Enrollment figures for the Petal School District for the scholastic year 1992-93 and for the four preceding years are as follows:

Scholastic Year	Enrollment
1992-93	3,237
1991-92	3,071
1990-91	3,171
1989-90	3,086
1988-89	3,113

SOURCE: Office of the Superintendent, Petal School District, February, 1993.

TAX INFORMATION

Assessed Valuation

Assess- ment Year	Real Property	Personal Property	Public Utility Property	Total
1992	\$12,673,059	\$5,179,927	\$3,627,532	\$21,480,518
1991	12,646,502	5,328,665	3,619,544	21,594,711
1990	12,756,789	5,087,534	3,710,285	21,554,608
1989	12,843,893	4,803,863	3,474,330	21,122,086
1988	12,639,766	4,841,415	3,406,822	20,888,003
1987	12,455,246	4,523,266	3,406,822	20,385,334

SOURCE: Office of the City Clerk, February, 1993.

Procedure for Property Assessments

The tax assessor of the 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.

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.

EXHIBIT

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.

Limitation on Ad Valorem Levies

Sections 27-39-320 and 27-39-321, Mississippi Code of 1972, as amended, limits ad valorem tax levies by the City to a rate which will result in an increase in total receipts 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 assessment for 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.

Tax Levy Per \$1,000 Valuation

	(Year in Which Taxes Levied)				
	1992	1991	1990	1989	1988
General Purposes					
General Fund	\$20.91	\$ 20.91	\$ 20.91	\$ 21.00	\$ 19.09
Sewer Bond & Int.					
Skrg. Fund	13.59	14.59	13.59	13.50	15.48
Library	1.25	1.25	1.25	1.25	-----
Sub-Total	\$35.75	\$ 36.75	\$ 35.75	\$ 35.75	\$ 34.57
School Purposes					
District Maintenance Fund	\$52.21	\$ 54.27	\$ 52.16	\$ 52.65	\$ 44.46
Minimum Program Fund	2.53	2.49	2.45	2.69	2.69
Bond & Int. Skrg. Fund	6.84	7.25	7.05	7.75	8.68
Building Program Fund	2.64	2.72	2.62	2.85	2.98
Sub-Total	\$64.22	\$66.73	\$64.28	\$65.94	\$58.81
TOTAL TAX LEVY	\$22.97	\$101.48	\$101.73	\$101.62	\$23.38

SOURCE: Office of the City Clerk, February, 1993.

Ad Valorem Tax Collections

FY Ended	Taxes Due	Taxes Collected	Difference Over/(Under)
Sept. 30			
1992	\$734,317	\$750,179	\$ 15,862
1991	724,243	720,313	(3,930)
1990	714,043	727,947	13,904
1989	677,410	683,891	6,481
1988	704,721	671,401	(33,320)

SOURCE: Office of the City Clerk, February, 1993.

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 general obligation indebtedness of the City. 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 August 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.

Ten Largest Taxpayers

The ten largest taxpayers in the City for assessment year 1992, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
Mississippi Power Company	\$2,848,835	\$294,797.43
South Central Bell	494,720	51,193.63
E P C Partners Ltd.	369,317	38,216.94
West Jefferson Properties Ltd.	314,723	32,567.54
Wal-Mart Stores, Inc.	228,668	23,662.58

EXHIBIT

Charles C. Walker	165,709	17,147.54
David M. Cox, Inc.	157,409	16,288.68
Jitney Jungle	154,979	16,037.23
Commonwealth Life Ins. Co.	120,178	12,436.01
Entex	108,955	11,274.66
TOTAL	649,630	66,384.12

SOURCE: Office of the City Tax Assessor/Collector, February, 1993.

DEBT INFORMATION

Legal Debt Limit Statement

(as of February 1, 1993)

	<u>15% Limit</u>	<u>20% Limit</u>
Authorized Debt Limit (Last Completed Assessment for Taxation - \$21,480,518)	\$3,222,077	\$4,296,103
Present Debt Subject to Debt Limits	-0-	2,640,000
Margin for Further Debt Under Debt Limits	\$3,222,077	\$1,656,103
Less: This Offering	-0-	-0-
Margin for Further Debt Under Debt Limits after Issuance of the Bonds	\$3,222,077	\$1,656,103

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

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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.

The 15 percent limit and the 20 percent limit set out above will revert to limits of 10 percent and 15 percent, respectively, after September 30, 1995, unless the debt limit statute is amended prior to such date.

In arriving at the limitations set forth above, bonds issued for school purposes, bonds payable exclusively from the revenues of any municipally-owned utility, general obligation industrial bonds issued under the provisions of Sections 57-1-1 to 57-1-51, Mississippi Code of 1972, as amended, and special assessment improvement bonds issued under the provisions of Sections 21-41-1 to 21-41-53, Mississippi Code of 1972, as amended, are not included. Also excluded from both limitations are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt Subject to Debt Limits

(as of February 1, 1993)

<u>Issue</u>	<u>Date of Issue</u>	<u>Principal Outstanding</u>
Sewer Bonds*	11-01-85	\$ 655,000
Sewer Refunding Bonds*	3-15-89	615,000
G. O. Sewer Refunding Bonds*	9-01-92	<u>1,370,000</u>
Total		<u>\$2,640,000</u>

* Subject only to the 20 percent debt limitation.

NOTE: General Obligation Sewer Refunding Bonds, Series 1992, dated September 1, 1992, were issued for the purpose of advance refunding certain maturities of the General Obligation Sewer Bonds, Series 1985, dated November 1, 1985.

EXHIBIT

Outstanding Revenue Bonded Debt

(as of February 1, 1993)

<u>Issue</u>	<u>Date of Issue</u>	<u>Principal Outstanding</u>
Combined Water & Sewer System Revenue Bonds	2-01-90	\$765,000

Other Outstanding Long Term Debt

(as of February 1, 1993)

<u>Issue</u>	<u>Date of Issue</u>	<u>Principal Outstanding</u>
State Water Pollution Abatement Loan*	1986	\$270,440.49
Refunding Notes	1991	<u>68,000.00</u>
TOTAL		\$338,440.49

* The City has pledged sales tax to repay this loan.

Debt Ratios

<u>FY Ended Sept 30</u>	<u>General Obligation Debt</u>	<u>General Obligation Debt to Assessed Value</u>
1992	\$2,640,000	12.2%
1991	2,625,000	12.1
1990	2,860,000	13.2
1989	3,005,000	14.2
1988	2,239,000	10.7

Overlapping/Underlying General Obligation Indebtedness

(as of February 1, 1993)

Forrest County:

<u>1990 Population</u>	<u>Current Assessed Valuation</u>	<u>Current Assessed Value per Person</u>	<u>% of Bonded Debt to Assessed Value</u>
68,314	\$241,263,412	\$3,531	12.2%

School Districts:

<u>School District</u>	<u>Current Assessed Valuation</u>	<u>% of Bonded Debt to Assessed Value</u>
Petal School District	\$2,930,000	12.2%

APPENDIX B

FINANCIAL STATEMENTS

EXHIBIT "H"

APPENDIX "C"

BUDGET

APPENDIX "D"

OPINION OF CROSTHWAITE, BERNEY, NOBLE & BALLAIN

[FORM OF SPECIAL COUNSEL OPINION]

TO WHOM IT MAY CONCERN:

RE: \$550,000 Certificates of Participation
(City of Petal, Mississippi Public Building Project)

We have acted as Special Counsel in connection with the sale, execution and delivery of \$550,000 aggregate principal amount of Certificates of Participation (Petal, Mississippi Public Building Project) (the "Certificates"), representing proportionate undivided interests of the owners thereof in a Lease and Option to Purchase, dated as of February 1, 1993 (the "Lease"), by and between the City of Petal, Mississippi, (the "City") and the Petal Public Improvement Corporation, a non-profit corporation organized and existing under the laws of the State of Mississippi (the "Corporation"), including the right to receive payments of Base Rental to be made by the City thereunder. The Certificates are being executed, issued and delivered pursuant to a Trust Agreement, dated as of February 1, 1993 (the "Trust Agreement"), by and between the City and _____, as trustee (the "Trustee"). All capitalized terms used herein and not otherwise defined shall have the same meanings assigned to them in the Trust Agreement and the Lease.

The City has leased certain real property (the "Property") located in the City to the Corporation pursuant to a Ground Lease, dated as of February 1, 1993 (the "Ground Lease"), by and between the City and the Corporation. The City has entered into the Ground Lease for the purpose of enabling the Corporation to construct thereon a public building to be leased to the City. The Corporation has appointed the City as its agent to construct said public building pursuant to the Agency Agreement between the Corporation and the City, dated February 1, 1993. The obligation of the City to make Base Rental and Additional Rental payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the City to fund such Lease.

EXHIBIT "H"

Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The City's Board of Aldermen (the "Governing Body"), in its sole discretion, may make said payments with any lawfully available revenues. Except as stated in the Trust Agreement, nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The City has not pledged or levied any form of taxation for the payment of Outstanding Certificates.

The obligation of the City under the Lease is not a general obligation and does not constitute a pledge of the full faith and credit of the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

A portion of each Base Rental payment is designated as interest. Under the Lease, the City is required to deposit with the Trustee Base Rental payments at least five days prior to the date such payments are due under the Lease. The Corporation has assigned its right to receive Base Rental payments and certain other rights and interests in the Lease and the Ground Lease to the Trustee pursuant to an Assignment Agreement, dated as of February 1, 1993 (the "Assignment Agreement"), by and between the Trustee and the Corporation.

The Certificates are registered as to both principal and interest; are dated February 1, 1993; are issued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; are numbered from one upward in the order of issuance; bear interest from the date thereof at the rate or rates specified, payable on February 1 and August 1 of each year, commencing February 1, 1994; and mature and become due and payable on February 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
1994	\$45,000	1999	\$55,000
1995	45,000	2000	60,000
1996	45,000	2001	60,000
1997	50,000	2002	65,000
1998	55,000	2003	70,000

Certificates maturing on February 1, 1999, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on February 1, 1998, or on any interest payment date thereafter, at par, plus accrued interest to the date of redemption.

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium from the net proceeds deposited by the Trustee into the Redemption Account in the Certificate Fund, pursuant to Sections 3.10, 3.11 and 8.09 of the Trust Agreement.

The Certificates are subject to mandatory redemption prior to maturity, in whole or in part in inverse order of maturity and by lot within a maturity, on any date, at a redemption price equal to the principal amount thereof plus accrued but unpaid interest without premium, from monies transferred to the Redemption Account within the Certificate Fund from the General Account of the Construction and Acquisition Fund after delivery to the Trustee of the Certificate of Completion.

As Special Counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the Mayor and Board of Aldermen of the City in connection with the authorization and sale of the Certificates. Our services as Special Counsel were limited to an examination of the transcript of such proceedings and to rendering the opinions set forth herein. In this connection, we have also examined such certificates of public officials and officers of the City and Corporation as we have considered necessary for the purposes of this opinion.

On the basis of such examination, and in reliance thereon, and based on our consideration of such questions of law as we have deemed relevant in the circumstances, we are of the opinion that:

1. The transcript of certified proceedings of the Mayor and Board of Aldermen regarding the Certificates, including, but not limited to, the Lease, Ground Lease and the Trust Agreement, evidences complete legal authority for the issuance of the Certificates in full compliance with the Constitution and laws of the State of Mississippi presently in effect, and therefore, the Lease, including the City's obligation to make Base Rental payments evidenced by the Certificates, constitutes a valid and legally binding obligation of the City.

2. The portion of each Base Rental payment accruing under the Lease designated as and comprising interest and received by the Owners of the Certificates is excluded under existing statutes, regulations and court decisions, from gross income for federal income tax purposes pursuant to Section

EXHIBIT

103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from personal income taxes of the State of Mississippi under present state law.

3. The Certificates are not "private activity bonds" as defined in Section 141(a) of the Code and, therefore, the interest received is not an item of tax preference for purposes of the Code's alternative minimum tax provisions, except to the extent provided in the following sentence. Interest received by a corporation will be included in book income and earnings and profits for purposes of computing its alternative minimum tax and Superfund "environmental tax" liability.

4. The City has determined that the Certificates may be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code and the City has so designated the Certificates, thereby permitting a financial institution, beginning with its taxable year ending after December 31, 1986, to treat interest allocable to the Certificates as being subject to the 20 percent disallowance provision.

In rendering these opinions, we are relying upon representations and covenants of the City in the Trust Agreement and in the City's Tax and Non-Arbitrage Certificate and Tax Compliance Instructions of even date herewith concerning the investment and use of Certificate proceeds and the rebate to the federal government of certain earnings thereon. In addition, we have assumed that all such representations are true and correct and that the City will comply with such covenants. We express no opinion with respect to the exclusion of the interest from gross income under Section 103(a) of the Code in the event that any of such representations are untrue or the City fails to comply with such covenants. Except as stated above, we express no opinion as to any federal tax consequences of the receipt of interest, or the ownership or disposition of the Certificates.

It is to be understood that the rights of the holders of the Certificates and the enforceability of the Certificates may be subject to the bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. In addition, without in any way limiting or qualifying our opinions set forth above, we advise you that we have not made or undertaken to make any investigation of the state of the title to any of the real or personal property described in the Ground Lease or the Lease, or of the accuracy or sufficiency of the description of such property contained therein, and we express no opinion with respect to such matters.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Certificates, except to the extent, if any, stated in the Official Statement, and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

No opinion is expressed herein as to the accuracy, completeness or sufficiency of the Preliminary Official Statement or other offering material relating to the Certificates.

Sincerely,

CROSTWICK, BURNETT, NOBLE & ALLAIN

APPENDIX B

SCHEDULE OF BASE RENTAL PAYMENTS

\$550,000
PETAL, MISSISSIPPI
CERTIFICATES OF PARTICIPATION
(PETAL, MISSISSIPPI PUBLIC BUILDING PROJECT)

SCHEDULE OF BASE RENTAL PAYMENTS

DATE	PRINCIPAL	INTEREST	PERIOD TOTAL	FISCAL TOTAL
02/01/94	\$ 45,000.00			
8/01/94				
02/01/95	45,000.00			
8/01/95				
02/01/96	45,000.00			
8/01/96				
02/01/97	50,000.00			
8/01/97				
02/01/98	55,000.00			
8/01/98				
02/01/99	55,000.00			
8/01/99				
02/01/00	60,000.00			
8/01/ 0				
02/01/01	60,000.00			
8/01/ 1				
02/01/02	65,000.00			
8/01/ 2				
02/01/03	70,000.00			
TOTALS	\$550,000.00	\$	\$	\$

EXHIBIT "H"

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INTENTIONALLY

EXHIBIT "I"

RESOLUTION

Resolution finding and determining that property located at 113 Railroad Street, Petal, Mississippi is in such a state of uncleanliness as to be a menace to the public health and safety of the community.

WHEREAS, due and proper Notice has been given to the owners and occupants of 113 Railroad Street, Petal, Mississippi of a hearing conducted before the Mayor and Board of Aldermen of the City of Petal to determine whether or not said parcel of land is in need of cleaning; and

WHEREAS, said hearing having been duly and properly held and evidence having been presented, all in conformance with Section 21-19-11 of the Mississippi Code of 1972 as amended;

NOW THEREFORE, be it resolved;

SECTION 1:

That the property located at 113 Railroad Street, in Petal, Mississippi is in such a state of uncleanliness and the structure unsafe as to be a menace to the public health and safety of the community, and

SECTION 2:

That if the owner of said property shall not immediately proceed to demolish the structure and to clean said property, the City of Petal shall, by the use of Municipal Employees or by Contract, proceed to clean the land.

SECTION 3:

That all cost incurred by the Municipality, if any, place penalty, if any, shall become as assessment against said property, all authorized and permitted pursuant to Section 21-19-11 of the Mississippi Code of 1972, as amended.

SO RESOLVED, on this the 16th day of February, 1993,

A. D.



STATE OF MISSISSIPPI)
COUNTY OF FORREST)

EXHIBIT "J"

AGREEMENT

WHEREAS, SIMMONS CONSULTING ENGINEERS, P.A., hereinafter referred to as "Consultant", and the CITY OF PETAL, Mississippi, a municipal corporation, hereinafter referred to as "Owner", have entered into discussion with view of "Consultant" performing certain professional services during the 1993 City Election for the City of Petal Mississippi, and the parties hereto desire to reduce to writing their agreement and understanding; therefore, Consultant and Owner do hereby agree and obligate themselves as follows, to-wit:

I.

Consultant will perform those certain professional services for the 1993 City Election beginning on the 15th day of January 1993, to include, but not be limited to the following:

1. Preparation of ballots for all required elections
2. Preparation of ballot boxes and votomatics for each election
3. Be available on the day of elections for trouble shooting as necessary
4. Oversee counting of ballots and provide completed tally sheets as needed

Owner hereby promises to pay the Consultant on a monthly basis based on an hourly unit price, per the following schedule of hourly rates for services rendered:

- | | | | |
|----|-------------------|-------|--------------|
| 1. | Senior Technician | ----- | \$32.00/hour |
| 2. | Technician | ----- | \$25.00/hour |

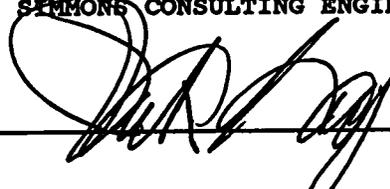
The OWNER hereby promises to pay the CONSULTANT a fee not exceed \$3,500.00. In the event of default in payment as set out above, the Owner further agrees to reimburse the Consultant for reasonable expenses incurred in securing payment.

II.

Consultant agrees to comply with all Federal, State and municipal laws, rules and regulations in the operation of said 1993 City Election.

WITNESS OUR SIGNATURES, on duplicate originals, on this the 15th day January, A.D., 1993.

BY: 
 JERRI SIMMONS, CONSULTANT
 SIMMONS CONSULTING ENGINEERS, P.A.

BY: 

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI AT 7:00 P.M. ON MARCH 2, 1993 IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT	JACK GAY, JR.
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	RUEBEN CLEPPER JERRY CROWE BOBBY RUNNELS LEROY SCOTT
OTHERS PRESENT	FIRE CHIEF AUBRA EVANS POLICE CHIEF WAYNE MURPHY ALLEN FLYNT W H CAMPBELL AND OTHERS

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

THE INVOCATION WAS OFFERED BY THOMAS W TYNER.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, ALDERMAN CLEPPER MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 16, 1993 OF THE MAYOR AND BOARD OF ALDERMEN. 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, MAYOR GAY CALLED FOR PUBLIC COMMENT, BUT THERE WAS NONE.

WHEREAS, CHIEF MURPHY REQUESTED PERMISSION TO SEND OFFICERS KENT WADE AND KEITH HENRY TO A FORGERY AND FRAUD SEMINAR APRIL 8, 1993 IN JACKSON, MS. AT A COST OF \$25.00 PER PERSON.

THEREUPON, ALDERMAN SCOTT MADE MOTION TO ALLOW OFFICERS WADE AND HENRY TO ATTEND THE FORGERY AND FRAUD SEMINAR IN APRIL AND TO PAY THEIR EXPENSES. 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

WHEREAS, CHIEF MURPHY STATED THAT THE METRO DRUG AGENCY HAS \$1,322.63 AVAILABLE FOR OVERTIME FOR THE CITY'S MEMBER OF THAT FORCE AND THAT THE CITY'S MATCH WILL BE \$330.65.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO APPROVE THE CITY'S MATCH FOR THE OVERTIME FOR THE CITY'S METRO AGENT. 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, FIRE CHIEF AUBRA EVANS PRESENTED A LETTER FROM DOYLE BOUNDS, COUNTY FIRE COORDINATOR STATING THAT THE COUNTY WISHES TO PURCHASE TWELVE (12) USED SCBA AIR BOTTLES FROM THE CITY OF PETAL AT A PRICE OF \$75.00 EACH.

SEE EXHIBIT "A"

LETTER - COUNTY FIRE COORDINATOR

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO SELL THE TWELVE (12) USED SCBA AIR BOTTLES, AS IS, TO FORREST COUNTY AT A COST OF \$75.00 EACH. 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, CHIEF EVANS PRESENTED THE FOLLOWING WRITTEN QUOTATIONS FOR THE PURCHASE OF TWELVE (12) MSA ULTRALITE II CYLINDERS:

SEE EXHIBIT "B"

		TOTAL
TUPELO FIRE EQUIPMENT, INC. 2813 CLIFF COOKIN BLVD TUPELO, MS. 38801	\$399.00 EA	\$4,788.00
H2S SAFETY SALES & RENTALS, INC. 813 EAST 1ST AVENUE JAY, FLA. 32565	332.86 EA	3,994.32
SUNBELT FIRE APPARATUS, INC. 8111 MCGOWIN DRIVE FAIRHOPE, ALABAMA 36532	415.00 EA	4,980.00

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO ACCEPT H2S SAFETY SALES & RENTALS, INC. LOW BID OF \$332.86 EACH OR A TOTAL OF \$3,994.32. 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

WHEREAS, MAYOR GAY PRESENTED A REQUEST FOR FINAL PAYMENT IN THE AMOUNT OF \$2,000. FOR DORIS RIVERS FROM NEEL-SCHAFFER, INC. ON RENTAL REHAB PROJECT NUMBER 0068000P106.

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO PAY MRS. RIVERS \$2,000 FINAL PAYMENT. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM LEROY JAMES FROM THE AT-LARGE POST ON THE BOARD OF ZONING APPEALS EFFECTIVE FEBRUARY 24, 1993.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT MR JAMES' RESIGNATION EFFECTIVE FEBRUARY 24, 1993. 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, MAYOR GAY PRESENTED THE FOLLOWING PROOFS OF PUBLICATION TO THE BOARD:

- A) PUBLIC NOTICE - ZONING HEARING JAMES AUSTIN
- B) PUBLIC NOTICE - VARIANCE HEARING JUANITA GANDY/DORA PRINE
- C) NOTICE OF AVAILABILITY OF THE FY 92 AUDIT

THEREUPON, ALDERMAN RUNNELS MADE A MOTION THAT THE PROOFS BE ACCEPTED AND FILED. 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, MAYOR GAY PRESENTED THE REPORT OF THE SELECTION COMMITTEE FOR THE PLANNING AND APPLICATION PREPARATION FOR THE 1993 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FOR THE CITY OF PETAL.

SEE EXHIBIT "C"

REPORT OF SELECTION COMMITTEE

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO ACCEPT THE REPORT OF THE SELECTION COMMITTEE AND TO CONTRACT WITH THE FIRM OF JIMMY GOURAS URBAN PLANNING CONSULTANTS FOR THE PLANNING AND APPLICATION PREPARATION FOR THE 1993 CDBG PROGRAM. 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, MAYOR GAY PRESENTED THE FOLLOWING PROCLAMATION SETTING THE WEEK OF MARCH 22-28, 1993 AS "TRASH BASH" IN PETAL.

SEE EXHIBIT "D"

PROCLAMATION

THEREUPON, ALDERMAN RUNNELS MADE A MOTION TO SET THE WEEK OF MARCH 22-28, 1993 AS "TRASH BASH" IN PETAL. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED THE FOLLOWING PROCLAMATION SETTING THE MONTHS OF MARCH AND APRIL 1993 AS LITTER CONTROL CLEAN-UP MONTHS.

SEE EXHIBIT "E"

PROCLAMATION

THEREUPON, ALDERMAN CROWE MADE A MOTION TO SET THE MONTHS OF MARCH AND APRIL, 1993 AS LITTER CONTROL CLEAN-UP MONTHS. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED THE FOLLOWING QUOTATIONS FOR THE SEWER PIPE AND TEES FOR THE OLD CORINTH ROAD SEWER EXTENSION PROJECT:

SEE EXHIBIT "F"

CENTRAL PIPE AND SUPPLY, INC. 101 WARE ROAD PEARL, MS. 39284-8946	8" PIPE 6" PIPE TEES	\$877.11 37.44 61.80
		----- \$976.35
CONSOLIDATED PIPE & SUPPLY CO 2845 METER ROAD JACKSON, MS. 39204	8" PIPE 6" PIPE TEES	877.11 42.12 63.80
		----- \$983.03
DIXIE WHOLESALE WATERWORKS CO.	8" PIPE 6" PIPE TEES	953.16 40.95 65.20
		----- 1.059.31

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PURCHASE THE PIPE AND TEES FROM CENTRAL PIPE AND SUPPLY, INC. AT THE LOWEST QUOTATION. 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, MAYOR GAY PRESENTED THE FOLLOWING WRITTEN QUOTATIONS FOR THE PRECAST MANHOLES WITH STEPS FOR THE SEWER PROJECT.

SEE EXHIBIT "G"

CHOCTAW SUPPLY	\$1404.00
CUSTOM PRECAST PRODUCTS	\$1,274.00

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PURCHASE THE PRECAST MANHOLES WITH STEPS FROM CUSTOM PRECAST PRODUCTS WITH THE LOWEST QUOTATION. 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

WHEREAS, MAYOR GAY PRESENTED CLAIMS #24111 - 24435 OF THE CITY OF PETAL GENERAL FUND AND THE PETAL WATER AND SEWER FUNDS TO THE BOARD.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO PAY CLAIMS #24111 - 24435 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS. ALDERMAN SCOTT 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, MAYOR GAY PRESENTED HIS REQUEST TO ATTEND THE URBAN FORESTRY SEMINAR MARCH 31, 1993 IN LONG BEACH, MS.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO AUTHORIZE THE MAYOR TO ATTEND THE URBAN FORESTRY SEMINAR AND TO PAY HIS EXPENSES. 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, MAYOR GAY PRESENTED A REQUEST FOR THE CITY CLERK AND HER DEPUTY TO ATTEND A SEMINAR SPONSORED BY THE MISSISSIPPI COOPERATIVE EXTENSION SERVICE, THE STATE AUDIT DEPARTMENT, THE ATTORNEY GENERAL'S OFFICE AND THE SECRETARY OF STATE'S OFFICE CONCERNING DELINQUENT TAX SALES ON MARCH 3, 1993 AT JOHNSON STATE PARK.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO AUTHORIZE THE CITY CLERK AND DEPUTY CITY CLERK TO ATTEND. 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, MAYOR GAY PRESENTED THE FOLLOWING WRITTEN QUOTATIONS FOR THE LAYING OF THE SEWER PIPE ON THE OLD CORINTH ROAD PROJECT:

SEE EXHIBIT "H"

R.D. HERRING CONTRACTING CO., INC. \$8,863.63
P O BOX 464
PETAL, MS. 39465

LOROSI CORP. 8,209.38
P O BOX 1910
PETAL, MS. 39465

C. J. MORGAN, INC. 7,990.75
292 EATONVILLE ROAD
HATTIESBURG, MS. 39401

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT C. J. MORGAN'S LOWEST QUOTATION. 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, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING AN APPOINTMENT TO FILL LOWERY RIDGEWAY'S UNEXPIRED TERM ON THE ELECTRICAL BOARD.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO APPOINT CHARLES TURNER TO FILL MR RIDGEWAY'S UNEXPIRED TERM ON THE ELECTRICAL BOARD. 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, MAYOR GAY PRESENTED A INVOICE FROM SIMMONS CONSULTING ENGINEERS, P.A. FOR ENGINEERING SERVICES ON THE FLASHING LIGHT SIGNALS AT THE 1ST AVENUE RAILROAD CROSSING IN THE AMOUNT OF \$1,487.50.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PAY SIMMONS CONSULTING ENGINEERS, P.A. \$1,487.50. 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, MAYOR GAY STATED THAT IT WILL BE NECESSARY TO ADVERTISE FOR THE ENGINEERING PROCUREMENT FOR THE 1993 CDBG PROJECT.

THEREUPON, ALDERMAN CLEPPER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADVERTISE FOR THE ENGINEERING PROCUREMENT. 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, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM CHRIS BAYLIS FROM THE BOARD OF ZONING APPEALS EFFECTIVE FEBRUARY 1, 1993.

THEREUPON, ALDERMAN CROWE MADE A MOTION TO ACCEPT MR BAYLIS'S RESIGNATION EFFECTIVE FEBRUARY 1, 1993. ALDERMAN SCOTT 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, ALDERMAN CLEPPER MADE A MOTION TO CLEAR THE ROOM TO DETERMINE IF AN EXECUTIVE MEETING IS NEEDED. 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

THE MEETING WAS REOPENED BY MAYOR GAY AFTER IT WAS DETERMINED THAT THERE WAS NO NEED FOR AN EXECUTIVE SESSION.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RESOLUTION REQUESTING ASSISTANCE FROM THE MISSISSIPPI STATE LEGISLATURE IN ACQUIRING THE ABANDONED VARNADO TO BASSFIELD RAILROAD LINE TO BE USED FOR A TOURISM ATTRACTION.

SEE EXHIBIT "I"

RESOLUTION

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

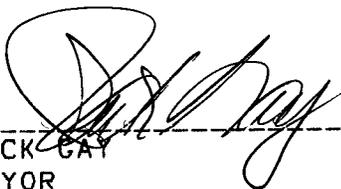
THOSE PRESENT AND VOTING "AYE":

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

THOSE PRESENT AND VOTING "NAY":

NONE

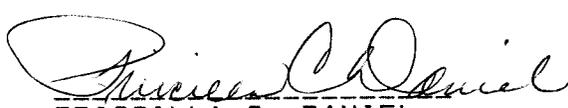
THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE
MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS
ADJOURNED ON THIS THE 2ND DAY OF MARCH, A.D., 1993.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

EXHIBIT "A"



COUNTY FIRE COORDINATOR
FORREST AND LAMAR COUNTIES

DOYLE BOUNDS
Coordinator

#4 Government Plaza
701 James Street
Post Office Box 1645
Hattiesburg, MS 39403
Phone: (601) 544-5911

February 17, 1993

MEMORANDUM

TO: City of Petal
Forrest County Board of Supervisors

FROM: Doyle Bounds, F/L County Fire Coordinator *DB.*

SUBJECT: Purchase of 12 SCBA Bottles

Sunrise VFD wishes to purchase twelve (12) SCBA air bottles from the Petal Fire Department at the price of \$75.00 each. Under Mississippi Code 31-7-13, sub section M-VI, this is possible between the City of Petal and Forrest County. Sunrise VFD wishes to make the purchase using state rebate monies through the county.

CITY OF PETAL
1993 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

REPORT OF SELECTION COMMITTEE
FOR PROFESSIONAL SERVICES

APPLICATION PREPARATION

The Selection Committee for Professional Services - Application Preparation for the 1993 Community Development Block Grant Program for the City of Petal met on February 22, 1993.

The Selection Committee, appointed by Mayor Jack Gay consisted of the following individuals:

- Bobby Runnels, Chairman
- Leroy Scott, Member
- Jerry Crowe, Member
- _____, Member
- _____, Member

The Selection Committee evaluated the proposals for professional services for application preparation which were received on February 16, 1993 and opened on February 16, 1993. Proposals were requested and evaluations were made in accordance with OMB Circular A-102, Attachment O, Paragraph 11C, "Competitive Negotiations."

Proposals were received from the following firms:

- Neel-Schaffer, Inc.
- Jimmy Gouras Urban Planning
- _____
- _____
- _____
- _____
- _____

The firm of Jimmy Gouras Urban Planning was determined to be the best qualified. The summary of the evaluation of the firms, as well as the evaluation forms used by the individual committee members, are attached to this report.

Therefore, the Selection Committee recommends that the Board of Aldermen accept the proposal of Jimmy Gouras Urban Planning to provide professional services for application preparation for the 1993 Community Development Block Grant Program.

Bobby Runnels
Chairman

2-22-93
Date

Leroy Scott
Committee Member

2-22-93
Date

Jerry Crowe
Committee Member

2-22-93
Date

Committee Member

Date

Committee Member

Date

EXHIBIT "D"

City of Petal
Petal, Mississippi

Proclamation



WHEREAS, the City of Petal is rich in natural resources that enhance our existence by making our surroundings more enjoyable and more beautiful; and

WHEREAS, all citizens should work together to keep our environment clean and should be willing to do their part to preserve clean air, fresh water and the beauties of nature; and

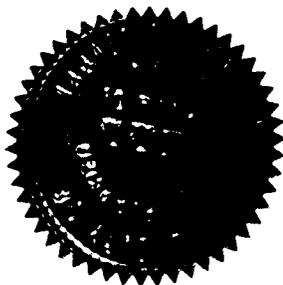
WHEREAS, the elimination of litter and trash from our environment is one of the important goals of KEEP MISSISSIPPI BEAUTIFUL. Every community and every citizens should be involved in litter control and clean-up efforts in Mississippi; and

WHEREAS, citizens of all ages should be aware of the problems caused by litter and an unclean, unsafe environment:

NOW, THEREFORE, I Jack Gay, Mayor of the City of Petal, Mississippi, do hereby proclaim the week of March 22-28 as anti-litter week in the City and declare this date as;

TRASH BASH WEEK

in Petal and encourage our citizens to join in by helping to beautify our towns, communities, cities and state.



In witness whereof I have hereunto set my hand and caused this seal to be affixed.

Jack Gay

ATTEST: _____

DATE: _____

EXHIBIT "E"

City of Petal
Petal, Mississippi

Proclamation



WHEREAS, the City of Petal is rich in natural resources that enhance our existence by making our surroundings more enjoyable and more beautiful; and

WHEREAS, all citizens should work together to keep our environment clean and should be willing to do their part to preserve clean air, fresh water and the beauties of nature; and

WHEREAS, the elimination of litter and trash from our environment is one of the important goals of KEEP MISSISSIPPI BEAUTIFUL. Every community and every citizens should be involved in litter control and clean-up efforts in Mississippi; and

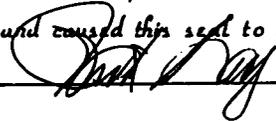
WHEREAS, citizens of all ages should be aware of the problems caused by litter and an unclean, unsafe environment:

NOW, THEREFORE, I Jack Gay, Mayor of the City of Petal, Mississippi, do hereby proclaim the months of March and April, 1993,

LITTER CONTROL, CLEAN-UP MONTHS

in Mississippi and encourage our citizens to join in by helping to beautify our towns, communities, cities and state. During March and April let's begin to work together to really KEEP MISSISSIPPI BEAUTIFUL.

In witness whereof I have hereunto set my hand and caused this seal to be affixed.



ATTEST: _____

DATE: _____

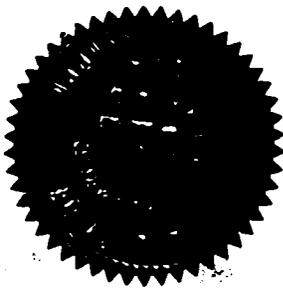


EXHIBIT "F"

CENTRAL PIPE SUPPLY, INC.
PIPE VALVES FITTINGS

101 WARE HIL PEAK, BOX 00200
P.O. BOX 3940
JACKSON, MS. 39264-0040
(601) 938-0225
WATS 1-800-868-7700
FAX (601) 938-0444

9906 RUNWAY ROAD
P.O. BOX 18940
MEMPHIS, TENNESSEE 38118-0940
(901) 965-1300
WATS 1-800-800-7440
FAX (901) 965-8571

To: City of Petal Year No. J-1 1993
Project: Water Main
Date Required: Feb 24-28-93

ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	UNIT	TOTAL
307	8	8" SDR-35 Galvanized Lumber Pipe	1.72	1	877.11
309	8	8" SDR-35 Galvanized Lumber Tee	1.96	1	37.84
4	8	8" SDR-35 Galvanized Lumber Tee	15.45	1	618.00
					973.95

Shipping date: _____
The above prices are F.O.B. Petal, MS
Taxes: none
We thank you for the opportunity of serving you and trust we may have the pleasure again.

DIXIE WHOLESALE WATERWORKS CO., INC.
Telephone 770-6888 - P.O. Box 40
Lumberton, Mississippi 39096

To: Town of Petal Please refer to our
Water Main Order No. Feb 24 1993
Project: _____
Date: _____

ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	UNIT	TOTAL
300	8	8" SDR-35 PVC Sewer Pipe (12')	1.89	1	953.16
40	1	8" SDR-35 PVC Sewer Tee (12')	1.05	1	46.95
4	1	8" SDR-35 PVC Sewer Tee (12')	16.30	1	163.00
					1,063.11

The above prices are F.O.B. _____
Taxes: _____
We thank you for the opportunity of serving you and will appreciate the opportunity to serve you.

Consolidated PIPE & SUPPLY COMPANY

UTILITY - QUOTATION
PETAL WATER DEPT.
DATE: 2-26-93 F.O.B.:
SUBJECT: _____

ITEM	QUANTITY	DESCRIPTION	UNIT PRICE	EXTENSION
507	8	8" SDR-35 PVC SEWER PIPE	1.73	877.11
38	1	8" SDR-35 PVC SEWER PIPE	1.08	46.16
4	1	8" SDR-35 PVC SEWER TEE	15.95	63.16
				986.43

CP

CUSTOM PRECAST PRODUCTS, INC.

P. O. Drawer 242 • Lumberton, MS 39455

March 1, 1993

RE: City Of Petal-Water Department
Petal, Ms.

Gentlemen:

We propose to furnish the following materials and services on the above referenced project:

22 V.F. 48" Diameter Precast Riser Sections (22 @ \$43.00)	\$ 946.00
3 EA. Straight Base Units @ \$35.00 EA.	\$ 105.00
6 EA. 8" Kor-N-Seal Boots @ \$29.50 EA.	\$ 177.00
TOTAL	\$1,228.00

THE ABOVE PRICES ARE SUBJECT TO THE FOLLOWING CONDITIONS:

1. THE ABOVE PRICES ARE F.O.B. TRUCK JOB SITE (unloaded by contractor).
2. PRICES ARE GOOD FOR 30 DAYS FROM THE ABOVE DATE.
3. NO APPLICABLE TAXES ARE INCLUDED.
4. QUANTITIES ARE ESTIMATED ONLY. ALL PRICES BASED ON A PER EACH BASIS.
5. CONTRACTOR ASSUMES RESPONSIBILITY FOR SETTING INTO EXCAVATION.
6. TERMS ARE NET 30 DAYS.
7. NOTE: 1 1/2% ON UNPAID BALANCE 30 DAYS AFTER INVOICE DATE.

WE ARE LOOKING FORWARD TO THE OPPORTUNITY OF WORKING WITH YOU ON THIS PROJECT.

Sincerely,

Lonnie L. Jones
Lonnie L. Jones
President

LLJ/lr

DATE Feb 26, '93

QUOTATION

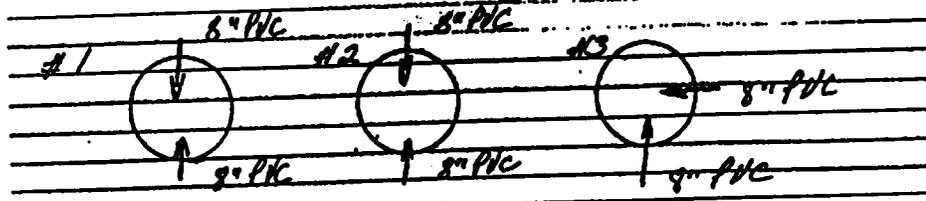
SHEET NO. _____



TO: Ralph Edleman PROJECT: City Sewer Project
City of Petal
Petal, MS 39455

GENTLEMEN: We propose to furnish the following:

48" Precast Manholes	22 @ \$43.00 = 1086.00
48" Round in Bottom	3 @ \$58.00 = 174.00
8" Kor-N-Seal Boots	6 @ \$29.50 = 177.00
TOTAL QUOTE	\$1404.00



With Steps
UNCOATED
UNLOADED BY CITY
F.O.B. CITY OF PETAL
NET 30 DAYS
DELIVERY 7 DAYS

NO FRAME OR COVER IN OUR QUOTE.

Thank you
F. Charles Phillips
Signed: _____

ALL TYPE PIPELINE CONSTRUCTION & ROAD BORING

Lonnie Lee
 P.O. BOX 1910
 PETAL, MISSISSIPPI 39465
 TELEPHONE 683-6800 - 644-1711

EXHIBIT "H"

3-1-93

TO THE CITY OF PETAL, MISS.

REF. 8" SEWER INSTALLATION ON CORINTH ROAD

WE PROPOSE TO INSTALL APPROX. 688.5 ft. OF 8" MAIN FOR \$8.75 per ft. \$6,024.
 3 MANHOLES @ \$375.00 ea. \$1,125.00
 4 6" Y's @ \$30.00 ea. \$180.00
 APPROX. 30 ft. 6" SERVICE \$180.00
 3 INVERTS @ \$100.00 ea. \$300.00
 1 TIE IN TO EXISTING MANHOLE \$400.00
 TOTAL \$8209.38

RESPECTFULLY,

Lonnie Lee Jr.
 LONNIE LEE, JR.

C. J. Morgan, Inc.

292 EATONVILLE ROAD

Hattiesburg, Mississippi 39401

TELEPHONE 644-3192

582-8055

February 26, 1993

Proposal To: City of Petal
 Attention: Jack Gay
 P.O. Box 564
 Petal, MS 39465

Job Site: Old Corinth Road
 Sewer Line Installation
 (Materials Furnished)

1) 8" Sewer Installed	688.5 L.F.	@ 9.50 L.F.	\$ 6,540.75
2) 6" Sewer Installed	30 L.F.	@ 9.50 L.F.	285.00
3) 8" x 6" Tees	4 EA	@ 10.00 EA	40.00
4) Manholes	3 EA	@ 375.00 EA	1,125.00
		TOTAL	\$ 7,990.75

NOTE: Proposal for installation only. Materials to be furnished

C. Bruce Morgan
 C. Bruce Morgan

R. D. HERRING CONTRACTING CO., INC.

Post Office Box 464
 Petal, Mississippi 39465
 Phone (601) 584-6966

3/01/93

TO THE CITY OF PETAL MISSISSIPPI.

REFERENCE: 8" SEWER INSTALLATION ON CORINTH ROAD

WE INSTALL APPROX. 688.5 ft. OF 8" MAIN FOR \$9.25 per ft. \$ 6,368.63
 3 MANHOLES @ \$400.00 EACH \$ 1,200.00
 4 6" Y's @ \$45.00 \$ 180.00
 APPROX. 30 ft. 6" SERVICE \$ 240.00
 3 INVERTS @ \$125.00 \$ 375.00
 1 TIE IN TO EXISTING MANHOLE \$ 500.00
 TOTAL OF ABOVE \$ 8,863.63

EXHIBIT "I"

RESOLUTION

WHEREAS, the Illinois Central Railroad has proposed to abandon the Varnado to Bassfield line and governmental entities directly affected have not had sufficient time to act since the announcement; and

WHEREAS, pursuant to current law, abandoned railroad tracks must first be offered to local governments for recreational or transportation uses; and

WHEREAS, other states have acquired and developed similar properties which have proven to be profitable to operate and maintain and most attractive to tourists; and

WHEREAS, such a facility will attract literally hundreds of thousands of tourists from throughout the United States; and

WHEREAS, local governments along the line proposed for closure believe that the abandonment affords a unique opportunity to improve the economic well-being of their communities as well as the entire State of Mississippi through future recreational and tourism development in the area, and further believe that the property should be purchased and preserved as a reminder of the historical significance of this railroad known as the "Natchez Route: which acted as a gateway for the development of South Mississippi; and

WHEREAS, the Mayor and Board of Aldermen of the City of Petal are most anxious to preserve this facility are compelled to ask the help and assistance of the Mississippi State Legislature to provide for the acquisition of this abandoned railroad line to utilized as a recreational and tourism facility as well as for other purposes; and

WHEREAS, said railroad can be acquired at a most reasonable cost and developed for a most reasonable investment, it should be acquired for its immediate development as a tourism and recreational site as long-range planning takes place to develop and enlarge this facility to reach from the Mississippi River to the Gulf of Mexico by providing tourism excursions along and over the old "Natchez Route"; and

WHEREAS, the Mayor and Board of Aldermen of the City of Petal requests that the Mississippi Legislature aid and assist in the acquisition and development of this abandoned facility and participate in the economic benefits that can be derived therefrom.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Board of Aldermen respectfully requests the assistance of the Mississippi State Legislature in acquiring the 27.2 miles from the Varnado Switch to Bassfield, Mississippi as a recreational, tourism and transportation facility on behalf of the people of the State of Mississippi and to provide necessary funds for the acquisition and development of said facility for such purposes.

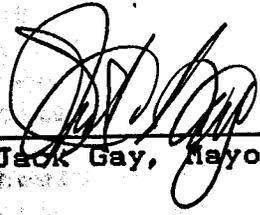
EXHIBIT "I"

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to the Secretary of the Mississippi State Senate and the Clerk of the Mississippi House of Representatives and to each member of the Legislative delegation representing those counties and cities directly affected by the proposed development and to Senator Tommy Gollog, Chair of the Economic Development, Tourism and Parks Committee, and to Representative Charlie Williams, Chair of the Ways and Means Committee.

The above and foregoing Resolution, after having been first reduced to writing, was introduced by Bobby Runnels, seconded by Leroy Scott, and was adopted by the following roll call, to-wit:

ALDERMAN REUBEN CLEPPER	VOTED "YEA"
ALDERMAN JERRY CROWE	VOTED "YEA"
ALDERMAN BOBBY RUNNELS	VOTED "YEA"
ALDERMAN LEROY SCOTT	VOTED "YEA"

The Mayor thereby declared the motion carried and the Resolution adopted on this the 2nd day of March, 1993.



Jack Gay, Mayor

ATTEST:



Priscilla C. Daniel
City Clerk

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