

BE IT REMEMBERED THAT THE HEARING, FOR THE VARIANCE REQUESTED BY STANLEY M CARPENTER AND SCHEDULED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DURING THEIR REGULAR MEETING OF DECEMBER 16, 1997, WAS HELD AT 6:30 P.M. ON JANUARY 20, 1998 IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT

MAYOR JACK GAY

CITY ATTORNEY

THOMAS W. TYNER

ALDERMEN

WILLIE W. HINTON
CHARLES E. HOLBROOK
ROBERT F. LANGFORD
DONALD H. ROWELL
LEROY SCOTT

OTHERS PRESENT

STANLEY M CARPENTER
NANCY C CLINTON
MICHAEL BAREFIELD
STAN AARON
DAN TOLLER

WHEREAS, MAYOR GAY CALLED THE HEARING TO ORDER AT 6:30 P.M. ON THE 20TH DAY OF JANUARY, A.D., 1998.

WHEREAS, MICHAEL BAREFIELD, ATTORNEY FOR STANLEY M. CARPENTER, STATED THAT HIS CLIENT HAS REQUESTED A VARIANCE OF THE CITY OF PETAL'S ZONING ORDINANCE TO ALLOW HIM TO PLACE A MOBILE HOME ON A PARCEL OF LAND ZONED RURAL-FRINGE. MR. BAREFIELD STATED THAT A MOBILE HOME WOULD HAVE BEEN ALLOWED ON THIS PROPERTY UNTIL THE CITY AMENDED THE ZONING ORDINANCE TO ALLOW MOBILE HOMES ONLY IN MOBILE HOME PARKS.

THEREUPON, MR. BAREFIELD STATED THAT MR. CARPENTER OWNS 92 ACRES OF LAND IN THE RURAL-FRINGE DISTRICT AND IN THE ORIGINAL VARIANCE PETITION THE CARPENTER'S HAD PROPOSED TO PLACE THE MOBILE HOME 500' OFF OF THE ROAD ON A DESIGNATED PIECE OF LAND 100'X 200'. MR. CARPENTER HAS SINCE CUT THE TIMBER ON THE LAND AND NOW WOULD LIKE TO PLACE THE TRAILER IN A DIFFERENT LOCATION. MR CARPENTER HAS AGREED TO PLACE THE TRAILER ON A PRECISE LOCATION WHERE THE TRAILER WILL NOT BE VISIBLE TO ANY ADJOINING PROPERTY OWNERS.

THEREUPON, MR. BAREFIELD STATED THAT MR. CARPENTER RAISES CATTLE AND TIMBER ON THIS 92 ACRES AND THAT HIS SON WILL BE LIVING IN THE MOBILE HOME AS A CARETAKER BUT MR. CARPENTER WOULD MAINTAIN THE OWNERSHIP OF THE PROPERTY.

THEREUPON, MR. CARPENTER STATED THAT THE MOBILE HOME WOULD BE A NEWER MODEL HOME AND IT DEFINITELY WOULD NOT DEVALUE HIS PROPERTY OR HIS NEIGHBORS PROPERTY. MR. CARPENTER SAID THAT HE DEFINITELY WAS NOT INTERESTED IN DEVELOPING A MOBILE HOME PARK.

WHEREAS, STAN AARON, FROM DENHAM DRIVE, STATED THAT HE UNDERSTOOD THAT TO BE GRANTED A VARIANCE IT WOULD HAVE TO BE FOR HEALTH REASONS, AND HE STATED THAT HE SEES NO REASON TO GRANT THIS VARIANCE.

WHEREAS, NANCY C. CLINTON, MR. CARPENTER'S DAUGHTER STATED THAT SHE LIVES ON THE EAST SIDE AND HAS LESS THAN 5 ACRES AND THAT SHE WOULD NOT AGREE TO THE PLACEMENT OF THE TRAILER IF SHE THOUGHT IT WAS GOING TO DEVALUE HER PROPERTY .

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO TAKE THIS MATTER UNDER ADVISEMENT. ALDERMAN HOLBROOK SECONDED THE MOTION.

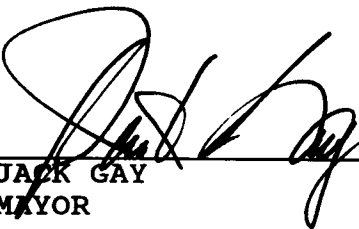
THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

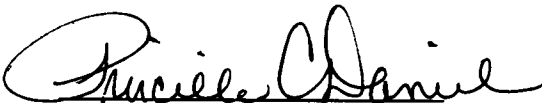
THE SPECIAL HEARING WAS ADJOURNED ON THIS THE 20TH DAY OF
JANUARY, A.D., 1998.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

BE IT REMEMBERED THAT THERE IS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON JANUARY 20, 1998 AT 7:00 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT

MAYOR JACK GAY

CITY ATTORNEY

THOMAS W. TYNER

ALDERMEN

WILLIE W. HINTON
CHARLES E. HOLBROOK
ROBERT F. LANGFORD
DONALD H. ROWELL
LEROY SCOTT

OTHERS PRESENT

WESLEY HUGHES, FIRE DEPT
DAN TOLBERT
CAPTAIN RODNEY JARRELL
JERRY CROWE
BILL HORNE
AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY LEROY SCOTT.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR GAY PRESENTED THE AGENDA TO THE BOARD WITH THE FOLLOWING AMENDMENTS:

DELETE: X. GENERAL BUSINESS 1) WIB WRIGHT 1996/97 AUDIT

ADD: XVI. CLAIM FOR DAMAGES - TONY READY

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO SUSPEND THE RULES AND ALLOW FOR PUBLIC COMMENT UNDER ITEM # 10 OF THE AGENDA, WHICH CONCERNS THE APPROVAL OF THE PLAT FOR THE COBBLESTONE DEVELOPMENT. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, ALDERMAN ROWELL MADE A MOTION TO ACCEPT THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN JANUARY 6, 1998 AND THE SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL HELD ON JANUARY 8, 1998.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT.

WHEREAS, JERRY CROWE ADDRESSED THE BOARD CONCERNING THE JUNK CARS IN PETAL, THE CONDITION OF THE ENTRANCES INTO PETAL ON THE HATTIESBURG SIDE AND MR CROWE SAID THAT THE POTHOLES ON EAST HARDY STREET IN HATTIESBURG NEED TO BE REPAIRED. MR. CROWE EXPRESSED CONCERNS ABOUT THE DEVELOPMENT OF AN INDUSTRIAL COMMITTEE AND MANHOLES THAT NEED TO BE RAISED.

WHEREAS, JIMMY GARDNER REQUESTED THAT THE BOARD ALLOW AN EXCEPTION TO THE ZONING ORDINANCE SO THAT THE LYNN RAY ROAD BAPTIST CHURCH WOULD BE ALLOWED TO PUT IN A DAY CARE IN THE CHURCH.

THEREUPON, MAYOR GAY STATED THAT THE CHURCH'S PROPERTY WILL NEED TO BE REZONED TO R-2 TO ALLOW THE DAY CARE AND THAT MR GARDNER WILL NEED TO SEE DAN TOLBERT TO MAKE APPLICATION FOR THIS ZONING CHANGE.

WHEREAS, MAYOR GAY PRESENTED THE QUOTATIONS FOR THE FINANCING OF THE LEASE-PURCHASE OF THE NEW PUMPER TRUCK FOR EIGHTY-FOUR MONTHS:

SEE EXHIBIT "A"

QUOTATIONS

DEPOSIT GUARANTY NATIONAL BANK P O BOX 1200 JACKSON, MS. 39215-1200	4.72%
SUNBELT FIRE APPARATUS, INC. 8111 MCGOWIN DRIVE FAIRHOPE, AL 36532	5.99%
G. E. CAPITAL PUBLIC FINANCE, INC. P O BOX 953399 LAKE MARY, FL 32795-3399	5.61%
FIRST CONTINENTAL LEASING P O BOX 15097 HATTIESBURG, MS. 39404-5097	5.95%
HANCOCK BANK LEASING P O BOX 4019 GULFPORT, MS. 39502	5.10%

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ACCEPT THE BID OF 4.72% FROM DEPOSIT GUARANTY NATIONAL BANK. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT AND THE RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF THE AGREEMENT WITH DEPOSIT GUARANTY NATIONAL BANK FOR THE PURCHASE OF THE NEW PUMPER TRUCK.

SEE EXHIBIT "B"

MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT
&
RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF A
MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
DEPOSIT GUARANTY NATIONAL BANK FOR THE PURPOSE OF
LEASE-PURCHASING CERTAIN EQUIPMENT

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO AUTHORIZE THE MAYOR AND CITY CLERK TO EXECUTE THE LEASE-PURCHASE AGREEMENT WITH DEPOSIT GUARANTY NATIONAL BANK FOR THE PURCHASE OF THE NEW PUMPER TRUCK. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO AUTHORIZE THE MAYOR AND CITY CLERK TO ISSUE A CHECK IN THE AMOUNT OF \$20,000. OUT OF THE MUNICIPAL FIRE PROTECTION FUND TO SUNBELT FIRE APPARATUS, INC. FOR THE DOWN PAYMENT ON THE NEW PUMPER TRUCK, LEAVING A BALANCE OF \$159,748.00 TO BE FINANCED. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, CITY INSPECTOR DAN TOLBERT PRESENTED THE PLANS FOR THE FOLLOWING NEW COMMERCIAL CONSTRUCTIONS TO THE BOARD.

- 1) PETAL PENTECOSTAL CHURCH - OLD RICHTON ROAD
- 2) AMOCO STATION AND CONVENIENCE STORE - HIGHWAY 11
- 3) SHELL STATION AND CONVENIENCE STORE WITH TWO (2) FAST FOOD FRANCHISES AND A CAR WASH

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO APPROVE THE PLANS FOR THE FOREGOING. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO AUTHORIZE THE MAYOR AND CITY CLERK TO ISSUE A CHECK IN THE AMOUNT OF \$20,000. OUT OF THE MUNICIPAL FIRE PROTECTION FUND TO SUNBELT FIRE APPARATUS, INC. FOR THE DOWN PAYMENT ON THE NEW PUMPER TRUCK, LEAVING A BALANCE OF \$159,748.00 TO BE FINANCED. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE LETTER OF RESIGNATION FROM ROBERT ODOM FROM THE WARD IV POSITION ON THE PETAL PLANNING COMMISSION EFFECTIVE JANUARY 16, 1998.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT MR. ODOM'S RESIGNATION. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROOF OF PUBLICATION TO THE BOARD.

A) NOTICE TO BIDDERS - ASPHALT/OVERLAY

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT THE PROOF OF PUBLICATION BE ACCEPTED AND FILED. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION FROM THE PETAL PLANNING COMMISSION TO GRANT THE ZONING CHANGE REQUEST TO WILLIAM T. POORE FOR HIS PROPERTY AT 537 NEW RICHTON ROAD.

SEE EXHIBIT "C"

ORDINANCE 1979 (42-A96)

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ADOPT THE FOREGOING ORDINANCE AMENDING THE COMPREHENSIVE ZONING MAP OF THE CITY OF PETAL, ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE PETAL KIWANIS CLUB TO PURCHASE A PLACEMAT AD FOR THE KIWANIS PANCAKE DAY IN THE AMOUNT OF \$30.00.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO PURCHASE THE AD. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE REQUEST FROM THE PETAL GIRLS SOFTBALL ASSOCIATION FOR THE CITY TO PURCHASE FOUR (4) ADVERTISING SIGNS AT \$75.00 EACH.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO PURCHASE THE FOUR (4) SIGN AT A TOTAL COST OF \$300.00. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THOSE PRESENT AND ABSTAINING:

ALDERMAN WILLIE W. HINTON
ALDERMAN DONALD H. ROWELL

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE HATTIESBURG AMERICAN TO PURCHASE AN AD IN THE HATTIESBURG AMERICAN'S SPECIAL EDITION "OUTLOOK 98".

NO ACTION WAS TAKEN.

WHEREAS, MAYOR GAY PRESENTED A LETTER FROM DICKIE CARPENTER REQUESTING AN EXTENSION OF THE TIME REQUIRED FOR THE PAVING OF FORREST GARDEN MOBILE HOME PARK WHICH HE HAS RECENTLY PURCHASED.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO GIVE MR. CARPENTER A ONE (1) YEAR EXTENSION UNTIL JANUARY 20, 1999 TO HAVE HIS PAVING IN HIS PARK COMPLETE AND NO ADDITIONAL EXTENSIONS WILL BE GIVEN AFTER JANUARY 20, 1999. ALDERMAN LANGFORD SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL

THOSE PRESENT AND VOTING "NAY":

ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

WHEREAS, MAYOR GAY PRESENTED THE REVENUES AND EXPENDITURES REPORT FOR THE MONTH OF DECEMBER.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE REVENUES AND EXPENDITURES REPORT FOR THE MONTH OF DECEMBER. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE LETTER FROM THE PLANNING COMMISSION RECOMMENDING THAT THE CITY ACCEPT THE PRELIMINARY PLAT OF THE COBBLESTONE DEVELOPMENT.

THEREUPON, MR. BILL HORNE STATED THAT IF THIS PLAT IS ACCEPTED AND THE CITY ALLOWS TRACY CARTER TO BUILD THE NINE DUPLEXES ON THE FIVE ACRES BEHIND HIS HOUSE AND THE NEIGHBORS' ON OLIVER LANE IT WILL GREATLY DEVALUE THEIR PROPERTY. MR. HORNE STATED THAT THERE ARE OTHER REASONS THAT THE NEIGHBORS ARE AGAINST THE DEVELOPMENT AND AMONG THESE ARE A DANGEROUS ENTRANCE ONTO THE 3-MILE CUT-OFF, DRAINAGE AND THE FACT THAT IT WOULD HURT MORE PEOPLE THAN IT WOULD HELP.

THEREUPON, MR. BILL THOMPSON, SPOKESMAN FOR THE RESIDENTS OF THE GARDEN PLACE SUBDIVISION, STATED THAT HE TOO IS CONCERNED ABOUT THE CONSTRUCTION OF DUPLEXES NEXT TO SINGLE FAMILY RESIDENCES DEVALUING HIS PROPERTY. MR. THOMPSON ALSO STATED THAT OTHER THINGS THAT CONCERN HIM ABOUT THE DEVELOPMENT ARE THE DANGEROUS CURVE AT THE ENTRANCE TO COBBLESTONE, HOW THE DRAINAGE WILL BE ADDRESSED, THE AFFECT OF ADDITIONAL HOMES ON HIS ALREADY FLUCTUATING WATER PRESSURE AND THE NOISE LEVEL THAT WILL BE CREATED WHEN NOISES AT COBBLESTONE ARE AMPLIFIED IN THE HOLLOW. MR. THOMPSON SAID HE AND THE OTHER RESIDENCES HAVE NO OBJECTION TO NICE HOUSES AND THAT THEY WOULD LIKE TO ASK THE BOARD TO GIVE CAREFUL CONSIDERATION TO ACCEPTING THIS PRELIMINARY PLAT FOR THE COBBLESTONE DEVELOPMENT.

THEREUPON, ALLEN FLYNT, SPEAKING FOR MR AND MRS TRACY CARTER, STATED THAT THIS IS ONLY THE PRELIMINARY PLAT THAT IS TO BE ACCEPTED. MR. FLYNT REQUESTED THAT IF THE BOARD FEELS THAT THEY WILL NOT BE ABLE TO APPROVE THE NEXT STEPS IN THE ACCEPTANCE OF THE DEVELOPMENT, HE WOULD LIKE TO KNOW BEFORE THEY GET SO FAR INTO THE ENGINEERING FOR DEVELOPMENT AND PRODUCE TREMENDOUS AMOUNTS OF COST. MR FLYNT ADDRESSED ALL OF THE CONCERNS THAT THE OPPOSITION MENTIONED AND STATED THAT THE DRAINAGE AND WATER PROBLEMS WILL BE ADDRESSED BY THE ENGINEERS WHEN THEY PRESENT THE CONSTRUCTION PLAT. MR. FLYNT STATED THAT EVEN IF THE OPPOSITION HAS NO OBJECTION TO NICE HOUSES THE PROBLEMS THAT THEY MENTION WILL STILL EXIST.

THEREUPON, ALDERMAN ROWELL STATED THAT IF THE PLANNING COMMISSION HAS REVIEWED THE PLAT AND IT MEETS ALL THE REQUIRED CRITERIA THE BOARD HAS NO REASON TO DENY THE PLAT.

THEREUPON, ALDERMAN LANGFORD MADE A MOTION TO ACCEPT THE PRELIMINARY PLAT OF THE COBBLESTONE DEVELOPMENT. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST THAT WILLIAM KING BE PERMITTED TO ATTEND A SEMINAR ON CRIME SCENE PROCEDURE ON FEB 5 & 6, 1998 IN JACKSON.

THEREUPON, ALDERMAN SCOTT MADE A MOTION THAT WILLIAM KING BE AUTHORIZED TO ATTEND THE SEMINAR AND TO PAY HIS EXPENSES. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

WHEREAS, MAYOR GAY PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF DECEMBER, 1997 TO THE BOARD.

WHEREAS, MAYOR GAY PRESENTED A CLAIM FILED BY TONY READY FOR DAMAGES HIS HOME RECEIVED DURING THE FLASH FLOOD ON MONDAY JANUARY 5, 1998.

THEREUPON, TONY READY ADDRESSED THE BOARD STATING THAT THE DITCHES ON EITHER SIDE OF HIS HOME NEED TO BE CLEANED OUT. MR READY STATED THAT HE HAS COMPLAINED BEFORE AND IF SOMETHING HAD BEEN DONE BEFORE WATER WOULD NOT HAVE GOTTEN IN HIS HOUSE.

THEREUPON, MAYOR GAY STATED THAT THIS MATTER WOULD BE REFERRED TO THE CITY'S INSURANCE CARRIER.

WHEREAS, CITY ATTORNEY THOMAS W. TYNER STATED THAT HE HAS A LEGAL MATTER TO DISCUSS WITH THE BOARD WHICH COULD POSSIBLY LEAD TO LITIGATION AND HE WOULD REQUEST THAT THE BOARD CONSIDER ENTERING INTO AN EXECUTIVE SESSION.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO CLEAR THE ROOM TO DETERMINE IF AN EXECUTIVE SESSION IS NEEDED. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

MAYOR GAY REOPENED THE MEETING.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION TO DISCUSS WITH THE CITY ATTORNEY THE POSSIBLE LITIGATION. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

MAYOR GAY STATED THAT NO ACTION WAS TAKEN IN THE EXECUTIVE SESSION.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING MARTIN DENHAM.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE STREET DEPARTMENT.

IT IS HEREBY ORDERED THAT MARTIN DENHAM BE HIRED AS A LABORER IN THE STREET DEPARTMENT AT A RATE OF \$6.25 PER HOUR EFFECTIVE FEBRUARY 2, 1998.

SO ORDERED ON THIS THE 20TH DAY OF JANUARY, A.D. 1998.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

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

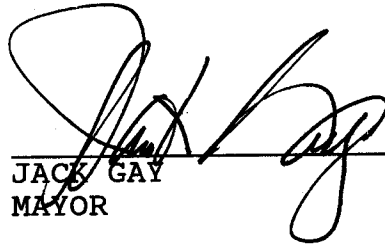
THOSE PRESENT AND VOTING "AYE":

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN ROBERT F. LANGFORD
ALDERMAN DONALD H. ROWELL
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY":

NONE

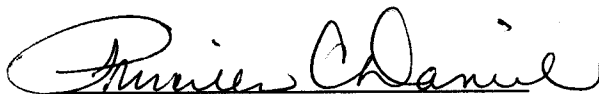
THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE
MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS
ADJOURNED ON THIS THE 20TH DAY OF JANUARY, A.D., 1998.



JACK GAY
MAYOR

(SEAL)

ATTEST:



PRISCILLA C. DANIEL
CITY CLERK

EXHIBIT "A"

01/16/98 FRI 11:08 FAX 801 354 8478

DGNB-CREDIT ANALYST

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DEPOSIT GUARANTY NATIONAL BANK®



Transmitted Via Facsimile

Post Office Box 1200
Jackson, Mississippi 39215-1200

January 16, 1998

Ms. Priscilla Daniel, City Clerk
City of Petal, Mississippi
P.O. Box 564
Petal, MS 39465

Re: Lease Purchase Bid for One (1) New Sunbelt E-1 Pumper Fire Engine
Invoice Amount - \$179,748.00
Lease Purchase Amount - \$159,748.00

Dear Ms. Daniel:

Deposit Guaranty is pleased to submit a bid for the City's lease purchase financing need. We understand that the City would like to finance the above-referenced equipment utilizing a lease purchase agreement. The City would like to consider a 60 month, 72 month, and 84 month payback. Delivery is expected to be late January 1998. Based on this information, the following details the interest rates and monthly payments we are offering:

<u>TERM</u>	<u>INTEREST RATE</u>	<u>MONTHLY PAYMENT</u>
60 Months	4.50%	\$2,978.19
72 Months	4.59%	\$2,542.46
84 Months	4.72%	\$2,236.91

Amortization schedules detailing these scenarios are attached.

This bid is being offered contingent upon the use of documentation acceptable to Deposit Guaranty National Bank. In addition, the obligation should be designated as a qualified tax exempt obligation within the meaning of and for the purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. Prior to the completion of the lease purchase agreement, a full, properly certified transcript of all proceedings had prior to and incident to this issue is to be promptly furnished to us without cost satisfactorily evidencing to our attorney the unqualified legality of this lease purchase in all respects. Also, you agree to take any further action that may be required to establish the validity of said lease purchase. Prior to funding, you must provide us with evidence of insurance coverage on the equipment. Deposit Guaranty should be shown as the "additional insured" and "loss payee" on the City's liability and physical damage insurance policies, respectively.

EXHIBIT "A"

Municipal Lease Purchase Options

This Plan is Based on a Bid Price of:	\$179,748.00		
4/1/97			
Percent Down:	11.13%	10%	20%
Amount Down:	\$20,000.00	\$17,974.80	\$35,949.60
Lease Amount:	\$159,748.00	\$161,773.20	\$143,798.40

	RATE	FACTOR	PAYMENTS		
3 Yr Payment	5.89%	0.37335	\$59,641.92	\$60,398.02	\$53,687.13
Total over Lease Life			\$198,925.75	\$199,168.87	\$197,011.00
4 Yr Payment	5.92%	0.28806	\$46,017.01	\$46,600.39	\$41,422.57
Total over Lease Life			\$204,068.04	\$204,376.35	\$201,639.87
5 Yr Payment	5.94%	0.23701	\$37,861.87	\$38,341.87	\$34,081.66
Total over Lease Life			\$209,309.37	\$209,684.13	\$206,357.89
6 Yr Payment	5.96%	0.20311	\$32,446.42	\$32,857.75	\$29,206.89
Total over Lease Life			\$214,678.50	\$215,121.33	\$211,190.96
7 Yr Payment	5.99%	0.17907	\$28,606.07	\$28,968.73	\$25,749.98
Total over Lease Life			\$220,242.52	\$220,755.89	\$216,199.46
8 Yr Payment	6.04%	0.16129	\$25,765.75	\$26,092.40	\$23,193.24
Total over Lease Life			\$226,126.04	\$226,714.00	\$221,495.55
9 Yr Payment	6.09%	0.14760	\$23,578.80	\$23,877.72	\$21,224.64
Total over Lease Life			\$232,209.24	\$232,874.32	\$226,971.39
10 Yr Payment	6.14%	0.13677	\$21,848.73	\$22,125.72	\$19,667.31
Total over Lease Life			\$238,487.34	\$239,232.01	\$232,622.67

There shall be no penalty for early payoff on the anniversary date of the lease.

The plan is based on the first payment beginning one year after delivery and acceptance of the apparatus.

Escrow type lease purchase plans which require early payments are not included in this quotation.

All lease quotations are good for 30 days. After acceptance of the lease, rates remain fixed through delivery

Volunteer Fire Departments qualify for the above rates with 15% or more down payment at time of delivery.

EXHIBIT "A"

JAN 12 '98 16:10 FR GE CAPITAL

487 333 4685 TO 16815456685

P.02/03

TERM SHEET

LESSEE: City of Petal
LESSOR: GE Capital Public Finance, Inc.
TOTAL PRINCIPAL: \$159,748.00
EQUIPMENT: Fire Truck
TERM/RATE/PAYMENT OPTIONS:

60 months	\$3,057.27	5.58%
72 months	\$2,617.43	5.60%
84 months	\$2,303.94	5.61%

* *In arrears*

PROPOSAL EXPIRATION: This proposal must be accepted by January 21, 1998. If an acceptance is not received by this date, the quoted interest rate will adjust to current market conditions.

If your acceptance is received prior to the proposal expiration date, the interest rate is firm through February 12, 1998. All findings must occur on or before this date for GECPF to hold this rate. If the transaction is not funded by this date, the quoted interest rate will adjust to current market conditions.

PREPAYMENT: The Lessee will build equity in the equipment with each lease payment and will have the option to prepay the equipment as specified in the lease. The Lessee will own the equipment free and clear after the last lease payment.

NET LEASE: All obligations, costs and responsibilities associated with ownership of the equipment will be borne by the Lessee including insurance, maintenance, and applicable taxes.

NON-APPROPRIATION: The lease is subject to termination by the Lessee in the event funds for payment of the Lease are not appropriated for a given fiscal year.

FINANCIAL INFORMATION: This proposal is subject to, among other things, GECPF's approval of the Lessee's financial condition. The last (3) three years of audited financial statements for the Lessee and a current budget will be required for GECPF's credit review.

EQUIPMENT FINANCING APPROVAL: GECPF requires that all equipment to be financed be approved by GECPF's credit department. By execution of a Lease, GECPF is not consenting to finance equipment. Each request for equipment financing will be individually reviewed and approved or disapproved by GECPF. All equipment to be financed must be considered personal property.

EXHIBIT "A"

01/12/98 MON 10:19 FAX 18003221611

FIRST CONTINENTAL

002

FIRST CONTINENTAL LEASING

a division of BancorpSouth Bank

P. O. Box 15097

Hattiesburg, MS 39404-5097

601-544-3252 - 800-222-1610 - FAX 800-322-1611

January 12, 1998

Sent via Fax No: 601-545-6685

Attn: Pricilla Daniels

City of Petal, Mississippi

Petal, MS

Dear Ms Daniels:

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. **Lessor:** First Continental Leasing, a division of BancorpSouth Bank
2. **Lessee:** City of Petal, Mississippi
3. **Equipment Description:** (1) Fire Truck
4. **Equipment Cost:** \$159,748.00
5. **Lease Term:** 5 years, 6 years, 7 years
6. **Lease Payments:** 60 payments @ \$3,007.33
72 payments @ \$2,606.21
84 payments @ \$2,329.86
Payments in ARREARS
7. **Lease Rate:** 4.90% (5 yrs.), 5.45% (6 yrs.), 5.95% (7 yrs.)
8. **Funding Date:** This proposal is contingent upon the equipment being delivered and the lease funded prior to February 28, 1998. If the equipment is not delivered and the lease funded prior to February 28, 1998, this proposal is null and void. Any extension of the funding date must be in writing.
9. **Purchase Option:** Title is passed to Lessee at lease expiration for no further consideration.

EXHIBIT "A"

Jan-15-98 09:34A

P.O

Proposal to: City of Petal
P.O. BOX 584
Petal, Ms 39465

Principal: \$159,749.00

Interest Charged: \$30,549.91

Total of Payments: \$190,292.91

Interest Rate, Tax Exempt: 5.10%

Payment Amount: \$2,265.39

Terms: 84 Monthly Payments

Good through: February 15, 1998

Purchase Option: \$1.00

Equipment: 1 - New Firetruck

Fees or Other Charges, if any:

All applicable sales, use or property taxes resulting from this transaction, if any, will be charge to the Lessee.


Miscellaneous:

All documents are subject to the review and approval of our legal counsel prior to the disbursement of funds.

An opinion of legal counsel from Lessee is required as to the indebtedness being Bank Qualified as defined within the provisions of the Tax Reform Act of 1986.

Physical damage and a minimum of \$500,000 in liability insurance will be required with appropriate endorsements in favor of lessor.

By: Hancock Bank Leasing
P. O. Box 4019
Gulfport, Ms 39502
868-4348 or 868-4666 (FAX)


Tim Sansone
Loan Officer

1/15/98
Date

EXHIBIT "B"

DEPOSIT GUARANTY NATIONAL BANK

MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT

This Master Equipment Lease-Purchase Agreement dated as of Jan. 20th, 1998, is entered into between Deposit Guaranty National Bank, a national banking association (the "Lessor"), whose Principal Office (herein so called) is located at 210 East Capitol Street, Jackson, Mississippi and The City of Petal, Mississippi, (the "Lessee"), acting by and through The Mayor and Board of Aldermen, (the) Governing Body of the Lessee. This Master Equipment Lease-Purchase Agreement together with all Equipment Lease Schedules and all documents delivered in connection herewith or therewith are sometimes collectively referred to herein as the "Agreement".

1. **Agreement to Lease.** In consideration of the rental provided herein, and the other covenants contained herein, Lessor hereby agrees to lease and rent to Lessee, and Lessee hereby agrees to lease and rent from Lessor, all the machinery, equipment and other personal property ("Equipment") described in Equipment Lease Schedule(s) ("Equipment Lease Schedules") now or hereafter executed by Lessor and Lessee and attached hereto and incorporated herein by reference as Exhibit B upon the terms and conditions set forth in this Agreement, as supplemented by the terms and conditions set forth in the appropriate Equipment Lease Schedule identifying such item of Equipment and such other Equipment Lease Schedules as may be executed by Lessor and Lessee and attached hereto and incorporated herein by reference.
2. **Lease Term.** The obligation of Lessor and Lessee under this Agreement will commence upon the execution hereof by Lessor and Lessee and will end, subject to earlier termination as provided herein, upon written notice of termination by Lessee to Lessor or Lessor to Lessee and the full performance and observance of each and every term, condition, and covenant of this Agreement, each Equipment Lease Schedule hereto and any extensions thereof. The rental term of the Equipment listed in each Equipment Lease Schedule shall commence on the date that the rental payment is due as provided in the Equipment Lease Schedule and shall terminate on the last day of the term stated in such Equipment Lease Schedule. This Agreement shall continue in effect even if there are no outstanding Equipment Lease Schedules until this Agreement is terminated by written notice from one party to the other.
3. **Rental Payments.** The rent for the Equipment described in each Equipment Lease Schedule shall be the total sum stated on such Equipment Lease Schedule, in installments, and shall be due and payable on the dates set forth therein. A portion of each such rental payment is paid as, and represents a payment of interest and each Equipment Lease Schedule sets forth the applicable interest rate and interest component of each rental payment; provided however such interest component is subject to change as provided in Paragraph 12 hereof. Such rent shall be payable from legally available funds of the Lessee in lawful money of the United States, without notice or demand, at the Principal Office of Lessor or its assigns (or at such other place as Lessor

EXHIBIT "B"

may from time to time designate in writing). The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment. All rental payments shall be made by the Lessee without abatement, setoff, or deduction of any amounts whatsoever. The obligations of Lessee to pay rent hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of an indebtedness by Lessee.

4. Continuation of Lease by Lessee.

(a) Lessee intends to comply with each term, condition and covenant of this Agreement during the term hereof and to pay the rent due under this Agreement and each Equipment Lease Schedule hereto. Lessee reasonably believes that legally available funds of an amount sufficient to make all rent payments due under this Agreement and each Equipment Lease Schedule hereto shall be obtained. Lessee agrees to include in its budget for each fiscal year during the term of this Agreement all rent payments due with respect to the Equipment under each Equipment Lease Schedule or otherwise due hereunder and to do all other things necessary and lawfully within its power to have such portion of the budget approved to obtain and provide for funds to pay its obligations due with respect to the Equipment under each Equipment Lease Schedule or otherwise due hereunder. In the event that such portion of the budget that provides for rent payments due under any Equipment Lease Schedule hereto is not approved, the Lessee agrees, at its expense, to exhaust all available reviews and appeals to have such rent payments reinstated and approved in the budget. It is Lessee's intent to make rental payments for the full term of each Equipment Lease Schedule to this Agreement if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment under each Equipment Lease Schedule is essential to its proper, efficient and economic operation and that the functions performed by the Equipment could not and will not be transferred to other equipment now available or which may be subsequently acquired for use by Lessee during the term in effect under the applicable Equipment Lease Schedule.

(b) Notwithstanding the provisions of paragraph 4(a), above, the continuation of each Equipment Lease Schedule to this Agreement is contingent upon the appropriation of funds by the governing body of the Lessee to make the rental payments required under each Equipment Lease Schedule hereunder. In the event no funds or insufficient funds are appropriated or otherwise available by any means whatsoever in any fiscal year for rental payments due under an Equipment Lease Schedule to this Agreement, then the Lessee shall immediately notify Lessor or its assignee of such occurrence and in such event, only such Equipment Lease Schedules for which there has been no appropriation for the next fiscal year of the Equipment subject thereto shall terminate on the last day of the fiscal year for which appropriations were made without penalty or expense to Lessee of any kind whatsoever, and Lessee agrees to peaceably surrender possession of the Equipment covered by the terminated Equipment Lease Schedule to Lessor or its assignee

EXHIBIT "B"

on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment covered by a terminated Equipment Lease Schedule. Subsequent to termination of an Equipment Lease Schedule to this Agreement, Lessee shall have no continuing obligation to make rental payments under such terminated Equipment Lease Schedule to this Agreement. No right of action or damages shall accrue to the benefit of Lessor, or its assignee, with respect to a properly terminated Equipment Lease Schedule to this Agreement, which may so terminate except as specifically provided in the subparagraph (c) of this Paragraph 4.

(c) Notwithstanding the foregoing, Lessee agrees

(i) that it will not cancel any Equipment Lease Schedule to this Agreement under the provisions of subparagraph (b) above if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment covered by such Equipment Lease Schedule or other equipment performing functions similar to the Equipment covered by such Equipment Lease Schedule for the fiscal year in which such termination occurs or the next succeeding fiscal year thereafter, and

(ii) that it will not during the remaining lease term which was applicable to the terminated Equipment Lease Schedule or five (5) years from the termination of such Equipment Lease Schedule, whichever is shorter, give priority in the application of funds to any other functionally similar equipment or services which were covered by such terminated Equipment Lease Schedule. Subparagraph (b) above shall be construed so as not to permit Lessee to terminate an Equipment Lease Schedule to this Agreement in order to acquire any other equipment or to allocate funds directly or indirectly to perform essentially the same applications for which the Equipment covered by a terminated Equipment Lease Schedule is intended.

5. **Purchase and Installation.**

(a) Lessee will select the type, quantity and supplier of each item of Equipment subject to an Equipment Lease Schedule hereto and in reliance thereon Lessor will either order such Equipment from such supplier or accept an assignment of any existing purchase order (the "Purchase Order") therefor. The Equipment so ordered shall be delivered to Lessee by the supplier thereof. Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and hereby authorizes Lessor to add to the applicable Equipment Lease Schedule which covers such Equipment the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Agreement or the Equipment Lease Schedule covering such Equipment. (Lessee shall have 30 days from the date of delivery to accept such Equipment and deliver an executed Equipment Acceptance Notice in the form attached

EXHIBIT "B"

hereto as Exhibit C to the Lessor.) Notice of any defects must be given to Lessor within 30 days of delivery. In the event any of the Equipment subject to an Equipment Lease Schedule hereto is not accepted by the Lessee within 30 days from the date of delivery and such acceptance is unreasonably withheld by Lessee, Lessor, at Lessor's option, shall have the right to cancel the Equipment Lease Schedule covering such Equipment or this Agreement. Subject to the conditions set forth in this paragraph, upon delivery of the Equipment to Lessee and acceptance of the Equipment by Lessee, payment will be made by Lessor or by the Escrow Agent (as hereafter defined) on behalf of the Lessor, for the balance due and owing for such Equipment, and, notwithstanding any defect in or failure of such Equipment, Lessee will, upon payment of any amount by Lessor at the request of Lessee (whether down payment, deposit, or full purchase price), become fully and completely liable under this Agreement and the applicable Equipment Lease Schedule which covers such Equipment with respect to such Equipment until such time as all rental payments due under this Agreement and the Equipment Lease Schedule covering such Equipment expires by its terms. Lessor shall have no liability for any delay in delivery or failure by the supplier to fill the Purchase Order or meet the conditions thereof. Lessee, at its expense, will pay all taxes, duties and expenses of packing, transportation, installation, testing and other charges in connection with the delivery, installation, and use of any of the Equipment.

(b) Lessor's obligation to purchase and lease-purchase Equipment covered by an Equipment Lease Schedule under this Agreement is subject to Lessor's sole discretion upon request by Lessee, and upon the fulfillment on or before the date of execution of an Equipment Lease Schedule, to Lessor's reasonable satisfaction, of the following conditions precedent:

(i) Lessor shall have received a full warranty bill of sale satisfactory to Lessor, executed by the supplier in favor of Lessor, covering all items of Equipment covered by the Equipment Lease Schedule.

(ii) Lessor shall have received an invoice describing such items of Equipment, all material components thereof and the purchase price payable to supplier in respect thereof.

(iii) Lessor shall have received an opinion of counsel to Lessee in form and substance satisfactory to Lessor, to the effect that such counsel has examined this Agreement, the Equipment Lease Schedule and such other documents and matters as he deemed necessary to reach the conclusions stated in such opinion, which conclusions shall include the following:

(a) the representations and warranties of Lessee contained in this Agreement and Equipment Lease Schedule are true and correct on the date thereof;

EXHIBIT "B"

- (b) this Agreement or the Equipment Lease Schedule, as applicable, has been duly authorized, executed and delivered by Lessee, and constitutes a valid and binding obligation of Lessee enforceable in accordance with its terms;
- (c) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body against Lessee which may materially affect Lessee's financial condition or operations, or which could have any effect whatsoever upon the validity, performance, or enforceability of this Agreement;
- (d) the interest portion of the rental payments due hereunder and the Equipment Lease Schedule is exempt from federal income taxation pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and rulings thereunder (the "Code");
- (e) the Lessee is a fully constituted political subdivision or agency of the State where the Equipment is located as set forth in the Equipment Lease Schedule and is authorized by the Constitution and laws of the State of Mississippi (the State") and its own internal or administrative procedure to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder; and
- (f) such other matters as Lessor may reasonably request.
- (iv) on the date thereof, no default (as defined in Paragraph 23 hereof), and no event which with notice or lapse of time, or both, would become a default, shall have occurred and be continuing hereunder.
- (v) All representations and warranties of Lessee made in the Agreement shall be true and correct in all material respects on the date thereof.
- (vi) A financing statement, in form and substance satisfactory to Lessor, in respect of such Equipment covered by the Equipment Lease Schedule shall have been executed and filed in the appropriate offices.
- (vii) Lessor shall have received from Lessee written notice of acceptance of the Equipment covered by the Equipment Lease Schedule.
- (viii) Lessor shall have received all other documents, instruments, certificates, opinions, and evidences as Lessor may reasonably request, including insurance certificates.

EXHIBIT "B"

6. **Representations, Warranties and Covenants of Lessee.** Lessee represents, warrants and covenants to Lessor as of the date hereof and as of the date of execution of any Equipment Lease Schedule hereto that:

(a) Lessee has been duly authorized by all necessary action on the part of the Lessee, its governing body or other appropriate governing bodies and officials to execute, deliver, and perform the terms of this Agreement and further represents that all requirements and procedures have occurred that are necessary to ensure the enforceability of this Agreement, including Lessee's compliance with any applicable public bidding requirements.

(b) This Agreement constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms and does not contravene any lease, indenture, credit agreement or other agreement to which Lessee is a party or by which it is bound.

(c) There are no pending or threatened actions or proceedings before any court, administrative agency or other body which, if adversely determined, would materially affect Lessee's ability to perform its obligations hereunder or which could have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement.

(d) No consent, approval, or authorization of, registration with, or declaration to any agency or authority is required in connection with the execution and delivery of this Agreement.

(e) Lessee is not in default (nor has any event occurred which, with notice or lapse of time, or both, would constitute a default) under any agreement or instrument to which Lessee is a party or under which Lessee or any of its assets is bound which could have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement.

(f) There are no outstanding or unpaid judgments against Lessee.

(g) Lessee has furnished to Lessor a copy of current financial statements and except for transactions directly related to, or specifically contemplated by, this Agreement and transactions heretofore disclosed in writing to Lessor, since the dates of such financial statements, there have been no changes in the financial condition and operations of Lessee from that shown in such financial statements through the date hereof which would have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement and there is no significant material fact or condition relating to the financial condition or business operations of Lessee which has not been related, in writing, to Lessor. Lessee shall furnish to Lessor within 90 days of the close of its fiscal

EXHIBIT "B"

year during the term of this Agreement audited financial statements and such other financial statements as the Lessor may request from time to time during the terms of this Agreement. Any financial statements furnished or to be furnished to Lessor by Lessee (whether audited or unaudited) shall be prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial condition and results of operations of Lessee at the dates and for the periods indicated therein.

(h) Lessee is not leasing the Equipment for the purpose of putting, and does not intend to put, the Equipment to any consumer use within the meaning of any applicable truth in lending or similar laws.

(i) Lessee acknowledges and agrees that the rental payments have been calculated by Lessor assuming that the interest portion of each rental payment is exempt from federal income taxation. Lessee will do or refrain from doing all things necessary or appropriate to insure that the interest portion of the rental payment is exempt from federal income taxation, including, but not limited to, executing and filing all information statements required by Section 149(e) of the Code and timely paying, to the extent of available funds, amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

Lessee acknowledges that the representations, covenants and warranties set forth in Paragraph 6 and 7 shall survive the expiration of this Agreement and that Lessor may pursue any applicable remedies for the breach of such representations, covenants and warranties at any time.

7. **Tax Exemption.** Lessee acknowledges that Lessor has agreed to enter into this Agreement and each Equipment Lease Schedule now or hereafter executed on the condition that a certain exception from non-deductibility of interest expense under Section 265(b) of the Code is available. Said exception is subject to certain conditions relating to Lessee's use of the Equipment covered by each Equipment Lease Schedule hereto and to Lessee's issuance of tax-exempt obligations. In that regard, Lessee represents, covenants and warrants that as of the date of execution of each Equipment Lease Schedule hereto that with respect to the Equipment covered by such Equipment Lease Schedule:

(a) The Equipment will not be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

(b) No portion of the rental payments payable hereunder: (i) will be secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (ii) will be derived from payments, whether or not to Lessee, in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

EXHIBIT "B"

- (c) No portion of the gross proceeds of the Agreement, with respect to the Equipment Lease Schedule, will be used (directly or indirectly) to make or finance loans to persons other than governmental units.
- (d) This Agreement and such Equipment Lease Schedule are each hereby designated as a qualified tax-exempt obligation for the purposes of Section 265(b) of the Code.
- (e) Lessee reasonably anticipates that the amount of qualified tax-exempt obligations to be issued by Lessee (together with qualified tax-exempt obligations issued by a subordinate entity deriving its issuing authority from Lessee or by a subordinate entity subject to substantial control by Lessee) during the current calendar year in which the Equipment Lease Schedule is executed and delivered shall not exceed \$10,000,000.

8. **Title; Personal Property; Encumbrances.** Upon acceptance of the Equipment covered by an Equipment Lease Schedule hereto by Lessee hereunder and satisfaction of all conditions precedent for purchase and lease-purchase of such Equipment by Lessor as provided in Paragraph 5 hereof, title to such Equipment and any and all additions, repairs, replacements or modifications will vest in Lessee; provided, however, that (i) in the event of termination of this Agreement or of an Equipment Lease Schedule which covers such Equipment in accordance with Paragraph 4 hereof or (ii) upon the occurrence of an Event of Default hereunder, and as long as such event of Default is continuing, title will, upon written notice from Lessor to Lessee, immediately vest in Lessor or its assignee.

Each item of the Equipment subject to this Agreement is and shall remain personal property and shall not be deemed to be affixed to or a part of the real estate on which it is situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real property or any building thereon. Lessor may at any time and from time to time require Lessee to obtain, and Lessee shall obtain and deliver to Lessor, a waiver of any interest in the Equipment by any present or future landlord, owner, or mortgagee of such real estate.

Lessee agrees to keep each item of Equipment at all times free and clear from all claims, levies, liens, and process other than those in favor of Lessor pursuant to this Agreement. Lessee will not attempt to sell, assign, transfer, sublease, loan, part with possession of, conceal, mortgage, encumber, or otherwise dispose of any of the Equipment or the interest therein, or permit any lien, attachment, levy or execution of any of its creditors to become effective thereon (if any such lien, charge, claim or encumbrance should arise at any time, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge same); provided, however, Lessee may deliver possession of any item of Equipment to the manufacturer or supplier thereof for testing or other similar purposes or to any person or company for service, repair, maintenance, or overhaul work on such item of Equipment or for alterations or modifications or additions to such item of Equipment to the extent required or permitted by any

EXHIBIT "B"

provision of this Agreement. Lessee, at its expense, will protect and defend title to the Equipment.

9. **Location.** The Equipment shall be delivered to the location specified in the applicable Equipment Lease Schedule and shall not be removed from such location without the prior written consent of Lessor.

10. **Use; Repairs.** Lessee shall use the Equipment in a careful manner and shall comply with all laws, ordinances and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, shall keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor.

11. **Taxes.** Lessee agrees to pay, promptly when due, all assessments, license and registration fees, taxes including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, whether payable by Lessor or Lessee, on or relating to the Equipment, or the purchase, ownership, possession, leasing, operation, use or disposition thereof, and on or relating to this Agreement for the rent or other payments hereunder (excluding taxes on or measured by the net income of Lessor and excluding any sales or use tax payable to the supplier or manufacturer or the State of Mississippi by the Lessor on the acquisition of the Equipment and for which a credit is allowable under Section 27-65-23 of the Mississippi Code of 1972, as amended, against sales taxes collected by the Lessor from the Lessee on the periodic rental payments) and to prepare and file promptly with the appropriate office any and all returns required to be filed with respect thereto (sending copies thereof to Lessor) or, if requested by Lessor, to notify Lessor of such requirement and furnish Lessor with all information required by Lessor so that it may effect such filing. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any taxes, assessments, fees, or other governmental charges for which Lessee is responsible or liable pursuant to the foregoing, Lessee shall reimburse Lessor therefor within 5 days after demand by Lessor. All amounts under this paragraph other than interest payable to Lessor shall be computed on an "after tax" basis so that such payments shall be in an amount which, when reduced by the increase in the income tax liability or liabilities of Lessor, if any, as a result of such payment by Lessee, shall equal the after-tax cost of the tax, assessment, fee or other governmental charge paid by the Lessor.

12. **Exemption from Federal Taxation.** The Lessor has entered into this Agreement and each Equipment Lease Schedule now or hereafter executed under this Agreement contemplating that the interest portion of rental payments will be exempt from federal income taxation. In the event any governmental taxing authority successfully imposes tax treatment, under this Agreement and the Equipment Lease Schedules hereto or any other lease of the Lessor which, in the opinion of Lessor's counsel, will be determinative of the tax treatment under this Agreement and the Equipment Lease Schedules hereto, which differs from the tax treatment

EXHIBIT "B"

contemplated to be taken by the Lessor hereto at the inception of this Agreement or which effectively denies to the Lessor the use or benefit of such tax treatment as contemplated, then Lessee agrees to pay rents with an interest factor equal to the maximum rate of interest which, under applicable law, Lessor is permitted to charge, retroactively from the date of imposition of the change of tax treatment through the term of each Equipment Lease Schedule under this Agreement during which the change of tax theory is imposed, with credit being given for rental payments having already been made by Lessee during the period for which the change is imposed, and subsequently thereto, as rental payments would otherwise become due, until the end of the lease term. Any retroactive payments of rent under this paragraph shall be due and payable at the date that Lessor gives notice to Lessee of imposition of the change of tax-treatment.

Lessee agrees to pay its pro-rata share of attorney's fees that may reasonably be incurred by Lessor in the event legal action or administrative action is taken by the Lessor to secure the tax treatment intended to be taken by Lessor under this Agreement or any other lease which in the opinion of Lessor's counsel will be determinative of the tax treatment under this Agreement whether such action is successful or not. Lessee's pro-rata share shall be determined by the percentage that the Lessor's original cost of all of the Equipment subject to this Agreement bears to the total original cost of leased equipment for all other similar leases of the Lessor involving similar issues of fact or law. In the event the Lessor is successful in securing the tax treatment intended to be taken by Lessor, Lessor shall refund to Lessee the total amount of increased interest (as hereinabove provided) which has been paid by Lessee and rental payments for the remainder of the lease term shall be the original rentals as specified in the Equipment Lease Schedules.

13. **Use of Equipment; Inspections.** Lessee may possess and use the Equipment in accordance with this Agreement, provided that any such use is in conformity with all applicable laws, regulations, ordinances, any insurance policies and any warranties of the manufacturer or supplier with respect to the Equipment. Lessee will not use or operate any item of Equipment other than in a manner and for the use contemplated by the manufacturer or supplier thereof, or permit any person other than the Lessee's authorized agents or employees to operate any of the Equipment.

Lessor or Lessor's agent shall have the right upon reasonable prior notice to the Lessee and during the Lessee's regular business hours to inspect the Equipment at the premises of the Lessee or wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any change in location of the Equipment, any alleged encumbrances thereon, any accident allegedly resulting from the use or operation thereof, or any materially defective, improper or malfunctioning item of Equipment and any claim or demand involving or relating thereto.

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14. **Acceptance.** Lessee acknowledges and agrees that upon execution and delivery of an Equipment Lease Schedule and Equipment Acceptance Certificate with respect to the Equipment covered by such Equipment Lease Schedule that:

- (a) each item of the Equipment is of a size, design, capacity, and manufacture selected by Lessee;
- (b) Lessee is satisfied that the Equipment, and each component thereof, is suitable for its purpose;
- (c) Lessor is not the manufacturer of the Equipment nor a dealer in property of such kind;
- (d) Lessor shall have no obligation to accept any item of the Equipment from any seller thereof until that item of Equipment is accepted by Lessee; and
- (e) the foregoing notwithstanding, Lessee shall indemnify Lessor and hold Lessor harmless from and against any and all losses and liabilities which may arise from Lessee's failure for any reason to accept any item of the Equipment.

15. **Maintenance; Repairs.** Lessee will pay for and provide all utilities consumed by or required for the Equipment or use thereof, including, but not limited to, water, gas, electrical power, oil, gasoline, and lubricants. Lessee, at its sole expense, at all times during the term of this Agreement, shall maintain the Equipment and all additions, attachments and accessions thereto in good operating order, repair, condition, and appearance, and keep the same protected from the elements, ordinary wear and tear resulting from authorized use thereof alone excepted and shall make all necessary repairs and replacements to the Equipment. If the manufacturer of the Equipment has provided Lessee with a standard maintenance schedule, such schedule will constitute minimum maintenance compliance and Lessee upon request, will furnish Lessor with satisfactory evidence of such compliance. In furtherance of the maintenance of the Equipment, Lessee agrees, if requested by Lessor, to enter into and maintain in force a Maintenance Agreement with the manufacturer or a person (who may be a supplier) approved by the manufacturer providing for the maintenance of the Equipment (or specified items of Equipment). In the event Lessee is requested to enter into such a Maintenance Agreement, Lessee agrees to do all things within its power to cause such Maintenance Agreement to be complied with in all respects by Lessee, and the other party thereto; and Lessor hereby authorizes such other party thereto to accept the direction of Lessee in respect to such Maintenance Agreement. All maintenance and service charges, whether pursuant to such Maintenance Agreement or otherwise, shall be borne by Lessee.

16. **Alterations.** Lessee shall not, without the prior written consent of Lessor (which may be withheld with or without cause), make any alteration to or install any accessory, equipment, or device on the Equipment or any component thereof unless such alterations,

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additions or improvement may be readily removed without damage to the Equipment. All parts and attachments (whether new or replaced) at any time installed in or affixed to the Equipment shall constitute accessions thereto and shall be subject to the same interest that Lessor has in the Equipment (except items which are furnished or affixed by Lessee and may be removed without in any way affecting or impairing the original intended function or use of the Equipment or any component thereof and are readily removable by Lessee without causing material damage to the Equipment).

17. **Disclaimer of Warranties; Exclusion of Liability.** LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE PERFORMANCE OF THE EQUIPMENT; THE WORKMANSHIP OR MATERIAL IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. AS TO LESSEE, LESSOR LEASES THE EQUIPMENT "AS IS." Lessor shall have no obligation to accept any item of Equipment from any supplier thereof until that item of Equipment is accepted by Lessee. Lessor hereby assigns to Lessee, for and during the term of this Lease, applicable factory warranties, if any, express or implied, issued with respect to the Equipment and each component thereof, and Lessee will be subrogated to Lessor's claims, if any, against the MANUFACTURER or supplier of the Equipment for breach of any warranty or representation with respect thereto. Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expenses. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, shall be made against supplier. Lessor, at its option, may provide in its Purchase Order that supplier agrees that any of such claims may be made by Lessee directly against suppliers. The obligation of Lessee to pay the rental payments shall not be abated, impaired or reduced by reason of any claims of the Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation, defects or otherwise. Notwithstanding the foregoing, Lessee's obligations to pay the rentals or otherwise under this Agreement and each Equipment Lease Schedule hereto shall be and are absolute and unconditional, subject to the provisions of paragraph 4(b). All proceeds of any such warranty recovery from the manufacturer or supplier of the Equipment shall be first used to repair the affected Equipment. In no event shall Lessor be liable to Lessee for loss of anticipatory profits or any other direct, indirect, special or consequential damages.

18. **Risk of Loss.** All risk of loss, theft, damage or destruction to each item of Equipment shall be borne by Lessee. No such loss, theft, damage or destruction of any item of

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the Equipment, in whole or in part, shall impair the obligations of Lessee under this Agreement, all of which shall continue in full force and effect, and Lessee, at Lessor's option, shall either:

- (a) place the affected Equipment in good repair, condition and working order;
- (b) replace the same with like Equipment in good repair, condition and working order with documentation establishing the same rights and lien priority that Lessor had in the original equipment which was replaced; or
- (c) pay to Lessor an amount equal to the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, theft, damage or destruction.

19. **Insurance.** Lessee shall keep the Equipment insured against loss, theft, damage or destruction from every cause whatsoever for not less than full replacement value thereof, and shall carry public liability and property damage insurance covering the Equipment and its use in such amounts and with companies approved by the Lessor. All such insurance shall be in the joint names of Lessor and Lessee, with Lessor and Lessee named as additional insureds and/or loss payees, as their interests may appear, shall provide that Lessor shall receive not less than 30 days, notice of any termination, cancellation or alteration of the terms thereof and that the coverage afforded Lessor shall not be rescinded, impaired or invalidated by any act or neglect of Lessee, and otherwise shall be in form and amount and with companies approved by Lessor. Lessee shall pay the premiums therefor and deliver said policies, or duplicates thereof or certificates of coverage thereunder, to Lessor. The proceeds of hazard insurance shall, at the option of Lessor, be applied toward the repair or replacement of the Equipment or the payment of the obligations of Lessee hereunder, as set forth in Paragraph 18. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute or endorse all documents, checks or drafts for loss or damage under any such policy.

20. **Indemnification.** Lessee assumes liability for, and to the extent allowed by applicable law, hereby agrees to indemnify, protect, keep harmless and defend Lessor, its agents, employees, officers, directors, successors and assigns from and against, any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable court costs and attorneys' fees, of whatsoever kind or nature, arising out of, connected with, or resulting from this Agreement, the Equipment or its manufacture, selection, transportation, delivery, possession, use, condition (including, but not limited to, latent and other defects and whether or not discoverable by Lessee or Lessor), operation, ownership, leasing or return, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Agreement. Lessee's obligations contained in this paragraph shall survive the termination or cancellation of this Agreement or the expiration of the term of any Equipment Lease Schedule.

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In addition to other payments to be made pursuant to this Agreement, Lessee shall indemnify and hold Lessor harmless from and against, and shall pay Lessor, as additional payment, on demand, an amount equal to, all license, assessments, sales, use, real or personal property, gross receipts or other assessments, taxes, levies, imposts, duties and charges, if any, together with any penalties, fines or interest thereon imposed against or on Lessor, Lessee or the Equipment by any governmental authority upon or with respect to the Equipment or the purchase, ownership, possession, operation, return or sale of, or receipt of payments for, the Equipment, except any Federal or state income taxes, if any, payable by Lessor. Lessee may contest any such taxes prior to payment provided such contest does not involve any risk of sale, forfeiture or loss of the Equipment or any interest therein.

21. **Conditional Sale; Option to Purchase.** The Lessor and Lessee agree that this Agreement is in the nature of a conditional sales contract and shall be so treated for all relevant purposes. At the end of the lease term for Equipment covered by an Equipment Lease Schedule, provided all rental payments have been made under such Equipment Lease Schedule and there is no default or event which with the giving of notice or lapse of time, or both, could become a default under the Agreement, the Lessee shall be deemed to have exercised its option to purchase the Equipment subject to such Equipment Lease Schedule and any interest of Lessor to the Equipment subject to such Equipment Lease Schedule shall be transferred to the Lessee. Provided all rental payments under this Agreement are paid to date, Lessee may purchase the Equipment at the end of any month during the lease term by payment of:

- (a) the outstanding principal balance due under the Amortization Schedule attached to the applicable Equipment Lease Schedule (or any substitute amortization schedule in effect in accordance with Paragraph 12) plus accrued interest to date;
- (b) the cost of any required inspections, examinations, or certifications of the Equipment; and
- (c) the cost of any repairs, modifications, or adjustments required as a result of the inspections, examinations, or certifications referred to in (b) above.

Such option shall be exercisable by written notice to Lessor not less than 30 days prior to the purchase date. The closing shall be held on the specified purchase date, or on the next following business day if such day is a Saturday, Sunday or legal holiday, at the Principal Offices of Lessor, at which time Lessor shall deliver to Lessee a bill of sale transferring any interest of the Lessor in the Equipment subject to such Equipment Lease Schedule to Lessee free from any lien or encumbrance created by or arising through Lessor, but without warranties, and shall deliver all warranties and guarantees of the manufacturers and suppliers of the Equipment. Upon payment in full of all amounts due with respect to all Equipment identified in a particular Equipment Lease Schedule and conveyance of such Equipment by bill of sale from the Lessor to the Lessee, this Agreement shall terminate with respect to such Equipment for which payment

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has been made in full (but shall remain in force with respect to any other Equipment identified in another Equipment Lease Schedule for which payment in full has not been made.)

22. **Security Interest.** To secure all of its obligations hereunder Lessee grants to Lessor a first and prior security interest in its interests under the Escrow Agreement, including all amounts held by the Escrow Agent thereunder, and in any and all right and interest of Lessee in the Equipment, this Agreement and payments due under this Agreement, agrees that this Agreement may be filed as a financing statement evidencing such security interest, and agrees to execute and deliver all financing statements and other instruments necessary or appropriate to evidence such security interest. Lessee further agrees that the Uniform Commercial Code of the State of Mississippi shall apply as between the parties hereto and assignees of Lessor.

23. **Default.** The Lessee shall be in default under this Agreement upon the occurrence of any of the following events:

- (a) nonpayment when due or within 6 days thereafter of any installment of rent or other sum owing hereunder;
- (b) breach of any other covenant or agreement in this Agreement and the continuance of such breach for a period of 10 consecutive days following Lessee's receipt of written notice thereof from Lessor;
- (c) if any representation or warranty made by Lessee or by any agent or representative of Lessee herein or in any document or certificate furnished to Lessor in connection herewith or pursuant hereto proves to be incorrect at any time in any material respect;
- (d) if Lessee shall dissolve or become insolvent or bankrupt, commit any act of bankruptcy, make any assignment for the benefit of, or enter into an arrangement or composition with creditors, suspend or terminate the transaction of its usual business or consent to the appointment of a trustee or receiver or if a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or if bankruptcy, reorganization arrangements or similar proceedings shall be instituted by or against Lessee;
- (e) if any order, judgment or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied for any period in excess of 60 consecutive days without a stay of execution, or if a writ or order of attachment, execution or other legal process shall be issued in connection with any action or proceeding against Lessee or its property whereby any of the Equipment or any substantial part of Lessee's property may be taken or restrained;

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- (f) if Lessee shall default in the performance of any obligation or in the payment of any sum due to the Lessor under any other lease, contract, agreement, arrangement or understanding;
- (g) if any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of the maturity date thereof; or
- (h) if Lessor, in the exercise of reasonable judgment, shall determine that Lessee is generally not paying its debts as such debts become due. In addition, Lessee shall give Lessor 10 days' written notice prior to the filing of any voluntary petition of bankruptcy, written notice upon commencement of an involuntary bankruptcy proceeding, or written notice prior to taking any action with respect to the Equipment in bankruptcy proceedings, and shall include in said written notice the venue of the anticipated proceedings and a copy of any relevant pleadings with respect thereto. Failure to give said written notice within the time as specified shall constitute an event of default hereunder and shall cause an immediate termination of this Agreement as to all items of Equipment. Said default and termination, however, shall not constitute an election of remedies and Lessor shall retain its rights to such other remedies as may be set forth in this Agreement.

24. **Remedies.** Upon the occurrence of any event of default and at any time thereafter, Lessor, acting alone and/or through any of its agents, may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

- (a) by written notice to the Lessee, declare the unpaid principal balance plus accrued interest to date under this Agreement and all Equipment Lease Schedules hereto to be immediately due and payable, whereupon the same shall become immediately due and payable;
- (b) by written notice to the Lessee terminate this Agreement or any Equipment Lease Schedule as to any or all items of Equipment thereunder;
- (c) without notice, demand, liability or legal process, enter into any premises of or under contract or jurisdiction of Lessee or any agent of Lessee where the leased Equipment may be, or is believed to be by Lessor, and repossess all or any item thereof, disconnecting and separating all or so much thereof as may be required to disconnect or separate same from any other property, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession;
- (d) by written notice to the Lessee, cause Lessee, at its expense, promptly to return any or all items of the Equipment to Lessor, at such place as Lessor may designate, in the condition set forth above;

(e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or at any other location without affecting the obligations of Lessee as provided in this Agreement;

(f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof;

(g) proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or

(h) exercise any and all rights accruing to Lessor under any applicable law upon a default by Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for the loss of a bargain and not as a penalty, a sum equal to the aggregate of the following:

(i) all unpaid rent or other sums which are due and payable up to the date the Equipment or any part thereof is returned to or repossessed by Lessor,

(ii) any expense paid or incurred by Lessor in connection with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorneys fees and legal expenses, and

(iii) the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise. Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of the lease term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

None of the remedies of Lessor under this Agreement are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity. Lessee agrees to pay Lessor all attorneys, fees and all costs and expenses incurred by Lessor in connection with the enforcement of the terms of the Agreement or any right or remedy hereunder. Any repossession or subsequent sale or lease by the Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided and the bringing of an action or the entry of a judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment, as the Lessor may elect in its sole

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discretion. Lessee waives any and all rights to notice and to a judicial hearing with respect to the repossession of the Equipment by Lessor in the event of a default hereunder by Lessee.

25. **Reports.** Lessee shall:

(a) immediately notify Lessor of any materially defective, improper, or malfunctioning item of Equipment, the nature of the defect or malfunction, the name and address of the manufacturer of the item of Equipment, and such other information as may be known;

(b) promptly advise Lessor of all correspondence, papers, notices, and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to materially improper manufacturing, operation, use, or functioning of any item of Equipment or charging Lessor or Lessee with liability, and aid in the investigation and defense of all such claims against Lessor and/or Lessee and in the recovery of damages from third persons liable therefore;

(c) notify Lessor in writing within 10 days after any day on which any tax lien shall attach to any item of Equipment; and

(d) reimburse Lessor, upon demand, for all attorneys' fees, court costs, and other fees, costs, and expenses incurred by Lessor in connection with the foregoing.

26. **Further Assurances.** Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may reasonably request in order to more effectively carry out the intent and purposes hereof.

27. **Lessee's Obligations Unconditional.** Subject to the terms hereof, Lessee hereby agrees that Lessee's obligation to pay all rent and other amounts owing hereunder shall be absolute and unconditional under all circumstances. This Agreement may not be canceled or terminated except as expressly provided herein.

28. **Relationship of Parties.** The relationship of Lessor and Lessee is that of Lessor and Lessee only, and nothing contained herein shall be deemed or construed by Lessor and Lessee, or by any third party, or by any court, as creating the relationships of employer and employee, principal and agent, partnership, or joint venture. The Lessor and Lessee agree that the relationship of Lessor and Lessee is solely to facilitate the financing of the Equipment for Lessee by Lessor and this Agreement is in the nature of a conditional sales contract and shall be so treated for all relevant purposes.

29. **Notices.** All notices, demands and requests which may or are required to be given to another party hereunder shall be in writing, and each shall be deemed to have been properly given when served personally on an executive officer of the party to whom such notice is to be

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given, or when sent postage prepaid by first class mail, registered or certified, return receipt requested, by deposit thereof in a duly constituted United States Post Office or branch thereof located in one of the states of the United States of America in a sealed envelope addressed as follows:

If to the Lessor at its Principal Office:

Deposit Guaranty National Bank
210 East Capitol Street
P. O. Box 1200
Jackson, Mississippi 39215-1200
Attention: Steven E. Cole

If to the Lessee:

Jack Gay, Mayor
City of Petal, Mississippi
Post Office Box 564

A duplicate copy of each notice, certificate or other communication given under this Agreement to any party thereunder shall also be given to any other parties indicated in this Paragraph. The Lessor and Lessee, by notice given hereunder, designate any further or different addresses and to which subsequent notices, certificates or other communications shall be sent.

30. **Consents.** The consent or approval by any party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act. No custom or practice of the parties shall constitute a waiver of any party's rights to insist upon strict compliance with the terms hereof.

31. **Entirety of Agreement.** This Agreement contains the entire agreement between Lessor and Lessee, and supersedes all prior agreements and understandings relating to the subject matter hereof. No other agreement shall be effective to change, modify, or terminate this Agreement in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification, or termination is sought. No representations, inducements, promises, or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

32. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, and all of which shall constitute, collectively, one agreement, but, in making proof hereof, it shall never be necessary to exhibit more than one such counterpart.

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33. **Amendments and Addendums.** This Agreement may be amended or any of its terms modified only by written consent of Lessee and Lessor or its assignee.

In the event Lessee desires to buy other equipment subsequent to the execution of this Agreement, the Lessee shall request the lease-purchase of such additional equipment under this Master Lease Purchase Agreement and the Lessor, in its sole discretion, shall have the right but not the obligation to agree to lease-purchase such equipment under this Agreement. In the event the Lessor chooses to lease-purchase such additional equipment to Lessee under this Agreement, then in such event, the parties shall execute an Equipment Lease Schedule to this Agreement with respect to such equipment and all of the conditions precedent as provided in Paragraph 5(b) shall be met. For purposes of construing subsequent transactions concerning other equipment as an integrated contract, the following shall be considered a single transaction or legal and binding agreement:

- (a) This Agreement, which provides basic terms and conditions;
- (b) An executed Equipment Lease Schedule and acceptance certificate; and
- (c) Schedules, exhibits, and other attachments to such documents that pertain to the equipment described in the delivery order, and supporting documentation such as, e.g., opinions of counsel and insurance certificates, and any other documentation required by Lessor.

34. **Severability Provisions.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of each such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

35. **Persons Bound by Agreement.** The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessee, and its successors, assigns, agents, and servants. The Lessee cannot pledge, mortgage, or grant a security interest in the Equipment or any item of Equipment other than to the Lessor, its successors or assigns. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessor, and its successors, assigns, agents, and servants, and, where the context so requires, any person accepting an assignment of the rights of Lessor hereunder, and their respective successors, assigns, agents, and servants, and with respect to any indemnification provisions hereof, Lessor and any holder of obligations of Lessor issued in connection with this Agreement, and their respective successors,

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assigns, agents, and servants, shall each be entitled to indemnification hereunder without regard to the actions of any other person hereunder.

36. **Assignment.**

(a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or any item of Equipment subject to this Agreement or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign its rights, title and interest in and to this Agreement, and all attachments hereto including the Purchase Order(s), to various assignee/investors or their agents or trustees, and/or grant or assign a security interest in this Agreement or the Equipment, in whole or in part and its assignee may reassign this Agreement. Lessee agrees that this Agreement may become a part of a pool of contract obligations at Lessor's option, and Lessor or its assignees may assign or further assign either the entire pool or a fractionalized interest therein. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

(b) This Agreement and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the term of this Agreement, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. No such assignment shall become effective without recordation of the assignment in said "book entry system."

37. **Waivers; Cumulative Rights.** No waiver by Lessor of any default shall be deemed to be a waiver of any other then existing or subsequent default, nor shall any such waiver by Lessor be deemed to be a continuing waiver. No delay or omission by Lessor in exercising any right, power, privilege, or remedy hereunder, or at law or in equity, or otherwise shall impair any such right, or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any right preclude other or further exercise thereof, or the exercise of any other right. All rights shall be cumulative of and in addition to all other rights, and may be exercised from time to time, and as often as may be deemed expedient by Lessor.

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38. **Governing Law.** The substantive laws of the State of Mississippi shall govern the validity, construction, enforcement, and interpretation of this Agreement, the rights and remedies of the parties hereunder, and the ownership rights in and to the Equipment.

39. **Right to Perform Covenants.** If Lessee shall fail to make any payment or perform any act required to be made or performed by Lessee hereunder, Lessor, without waiving or releasing any obligation or default on the part of Lessee, may (but will be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Lessee, and may take all such action as may be necessary therefore. All sums so paid by Lessor and all expenses (including, without limitation, reasonable attorneys, fees) so incurred, together with interest thereon from the date of payment or incurring at the highest rate permitted by applicable law, will be paid by Lessee to Lessor on demand.

40. **Survival.** Lessee's obligations contained in this Agreement shall survive the termination or cancellation of this Agreement or the expiration of the term of any schedule.

41. **Special Stipulations.** The provisions set forth on Exhibit A shall be deemed to be incorporated in this Agreement to the same extent as if set forth herein.

42. **Maximum Interest Rate.** Nothing contained in this Agreement shall require the Lessee to pay interest at a rate exceeding the Maximum Permissible Rate. If the amount of interest payable to the Lessor for any period would otherwise exceed the maximum Permissible Amount for such period, such amount shall be automatically reduced to the maximum Permissible Amount for such period, and the amount of interest payable to the Lessor for any subsequent period, to the extent less than the Maximum Permissible Amount for such subsequent period, shall, to the extent, be increased by the amount of such reduction. The Lessee shall give the Lessor notice of any law or change in law that may result in such reduction or increase promptly after becoming aware of such law or change. "Maximum Permissible Amount" means, with respect to interest on any amount for any period, the maximum amount of interest that can be payable with respect to such amount for such period without causing the rate of interest on such amount for such period to exceed the Maximum Permissible Rate. "Maximum Permissible Rate" means the rate of interest on an amount that if exceeded could, under law, result in civil or criminal penalty being imposed on the Lessor or result in the Lessor's being unable to enforce payment or repayment of all or part of the rental payments due under this Agreement, including portions allocable to interest due or to become due on such amount.

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43. Effective Date. This Agreement shall become effective upon execution by all of the parties hereto.

The parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

(SEAL)

LESSEE:

THE CITY OF PETAL, MISSISSIPPI

By:  _____
Jack Gay, Mayor

ATTEST:

By:  _____
Priscilla Daniel, City Clerk

LESSOR:

DEPOSIT GUARANTY NATIONAL BANK

By: _____
Steven E. Cole, Vice President

EXHIBIT "B"

RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF A MASTER
EQUIPMENT LEASE-PURCHASE AGREEMENT WITH DEPOSIT GUARANTY
NATIONAL BANK FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN
EQUIPMENT

[Master Agreement and Original Equipment Lease Schedule]

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

1. The Lessee desires to enter into a Master Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with Deposit Guaranty National Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval;
2. The Lessee is authorized pursuant to the laws of the State of Mississippi to acquire the Equipment by lease-purchase agreement and pay interest thereon by contract and the Lessee has complied with all provisions of law, including any competitive purchasing and bid requirements in order to enter into and approve the Agreement;
3. It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. It is necessary for the Lessee to approve and authorize the Agreement.
5. The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

NOW, THEREFORE, BE IT RESOLVED by this Governing Body for and on behalf of the Lessee as follows:

Section 1. The Agreement and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Lessor and the Lessee is hereby approved and Jack Gay, Mayor, (the "Authorized Officer"), or his successor, is hereby authorized and directed to execute said Agreement on behalf of the Lessee and the Governing Body.

EXHIBIT "B"

Section 2. The Agreement is being issued in calendar year 1998.

Section 3. Neither any portion of the gross proceeds of the Agreement nor the Equipment identified to the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public.

Section 4. No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

Section 5. No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units.

Section 6. Lessee hereby designates the Agreement as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code.

Section 7. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 1998 will not exceed \$10,000,000.

Section 8. For purposes of this resolution, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by Lessee, all entities which issue obligations on behalf of the Lessee (within the meaning of Subsection 265(b) of the Code), and all subordinate entities (within the meaning of Subsection 265(b) of the Code) to the Lessee. No entity or entities have been formed or availed of to avoid the purposes of subparagraph (C) or (D) of Subsection 265(b)(3) of the Code with respect to obligations issued by the Lessee.

Section 9. The Authorized Officer, or his successor, is further authorized for and on behalf of the Governing Body and the Lessee to do all things necessary in furtherance of the obligations of the Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

Section 10. All orders, resolutions or proceedings of this Governing Body in conflict with any provisions of these resolutions shall be and the same are hereby revoked and superseded by these resolutions, but only to the extent of any conflicts and these resolutions shall be effective upon adoption on the date hereof.

EXHIBIT "B"

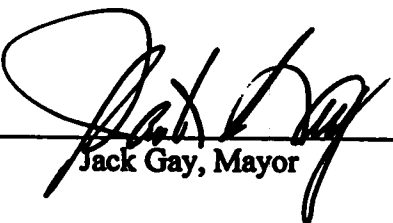
The foregoing resolution was offered upon the motion of Alderman Rowell.

Following the reading of the foregoing resolution, Alderman Hinton seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

<u>Alderman Hinton</u>	Voted: <u>YES</u>
<u>Alderman Holbrook</u>	Voted: <u>YES</u>
<u>Alderman Langford</u>	Voted: <u>YES</u>
<u>Alderman Rowell</u>	Voted: <u>YES</u>
<u>Alderman Scott</u>	Voted: <u>YES</u>

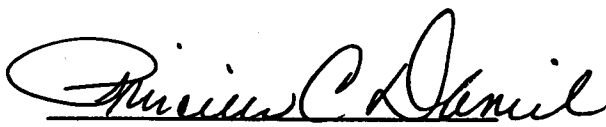
The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted, this the 20th day of January, 1998.

THE CITY OF PETAL, MISSISSIPPI



Jack Gay, Mayor

Attest:



Priscilla Daniel, City Clerk

(SEAL)

EXHIBIT "C"
ORDINANCE NUMBER 1979 (42-A96)

AN ORDINANCE CHANGING AND AMENDING THE COMPREHENSIVE ZONING ORDINANCE NO 1979 (42) OF THE CITY OF PETAL, MISSISSIPPI, AS AMENDED BY ORDINANCE NUMBERS 1979 (42-1) THROUGH 1979 (42-A95) SO AS TO CHANGE THE ZONING CLASSIFICATION OF SAID SECTIONS OF CERTAIN LAND IN SAID CITY FROM R-I (LOW DENSITY RESIDENTIAL DISTRICT) TO C-I (NEIGHBORHOOD COMMERCIAL)

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

SECTION 1. That the Comprehensive Zoning District Map, adopted as part of the Comprehensive Zoning Ordinance Number 1979 (42) of the City of Petal, Mississippi, as amended by Ordinance Numbers 1979 (42-1) through 1979 (42-A95) be and the same is hereby changed and amended as per petition filed in connection therewith so that the land described as listed below. Change of current zoning classification from R-I (Low Density Residential District) to C-I (Neighborhood Commercial).

Said land being more particularly described as follow, to wit:

BEG 73.8 FT N SW COR SE 1/4 SE 1/4 E ALG
N LN HWY 42 90 FT N 308 FT WLY ALG BRANCH
195 FT S 353 FT E 110 FT TO BEG

as per map or plat thereof on file in the office of the Chancery Clerk of Forrest County, Mississippi, is hereby classified and placed in the C-I (Neighborhood Commercial) of said City.

SECTION 2. Except as hereby expressly changed and amended, the aforesaid Comprehensive Zoning Ordinance No. 1979 (42) of the City of Petal, Mississippi, as amended by Ordinance Numbers 1979 (42-A95) shall be and remain in full force and form as adopted on January 20, 1998.

SECTION 3. That this Ordinance take effect and be in full force from and after its passage as provided by law.

The foregoing Ordinance having been reduced to writing, the same was introduced and read, and a vote was taken thereon, first section by section and then upon the

EXHIBIT "C"

Ordinance as whole with the following results:

Those present and voting "AYE" and in favor of the passage,
adoption and approval of Sections 1, 2, and 3 of the
foregoing Ordinance:

Alderman Willie W. Hinton
Alderman Charles E. Holbrook
Alderman Robert F. Langford
Alderman Donald H. Rowell
Alderman Leroy Scott

Those present and voting "NAY" or against the
adoption of any section of the foregoing Ordinance.

None

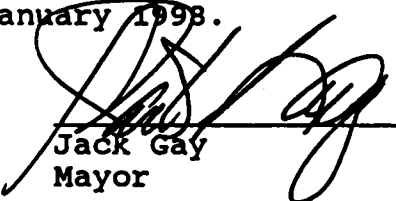
Those present and voting "AYE" and in favor of the
adoption of the foregoing Ordinance as a whole:

Alderman Willie W. Hinton
Alderman Charles E. Holbrook
Alderman Robert F. Langford
Alderman Donald H. Rowell
Alderman Leroy Scott

Those present and voting "NAY" or against the
adoption of the foregoing ordinance as a whole:

None

WHEREUPON, the foregoing ordinance be, and the same is
hereby passed, adopted and approved on
this the 20th day of January 1998.


Jack Gay
Mayor

(SEAL)

ATTEST:


PRISCILLA C. DANIEL
CITY CLERK

publish 1 one time: January 26, 1998